To List Treadwell-Yukon—See Page 17

THE FINANCIAL POST

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The Nation's Business

Canada Missing Great Opportunity
Fails To Tie Up With British Effort
Business Outlook for the Balance of Year
An Immigration Suggestion

THERE is reason to believe that Canada is not benefitting from the work of the Empire Marketing Board as are other Dominions and Colonies. Through this board, the people of Great Britain are spending a million pounds a year to promote the sale of Empire produce in the Old Country. To make the scheme a success, the utmost co-operation of the different countries in the Empire is necesary. Canada is not giving such co-operation. Recently the Empire Marketing Board has arranged for exhibits of Empire merchandise at various exhibitions. Canada alone, of the larger British countries, has failed to supply material of these exhibits.

For instance, the Empire Marketing Board took 10,000 feet of space at the Advertising Exhibition at the Olympia. Australia, New Zealand, South Africa, Irish Free State, African dependencies, Northern Ireland, all have fine displays of butter, eggs, bacon, honey, cheese, etc.

Where was Canada? It had nothing in the exhibit. Canada showed itself as either sulking or incapable of appreciating the advantages of linking up with this five million dollar campaign to boost the sale of British—including Canadian — goods in the Old Country.

* * *

THE objection of expense cannot be raised. The Empire Marketing Board paid for the space and allowed the free use of it to the various parts of the Empire wishing to exhibit.

Britain imports £1,300,000 a day of foodstuffs. Canada can supply a larger part of these foodstuffs than it now supplies, and is failing to take advantage of an opportunity afforded us to enlarge our exports to Britain.

The reason for this most disappointing state of affairs seems to be the unwillingness of Canada's officials in London to link up with the work of the board. They appear to be reticent about making suggestions to the board on the ground that as Britain's money is being spent the Dominions should not interfere. But obviously the Empire Marketing Board wants nothing more than it wants suggestions and co-operation. The Canadian representative on the board has either failed to grasp the opportunity or has failed to bring it home to his seniors.

Immediate action is needed at Ottawa to correct the situation. The obvious remedy is to place Canada's contact with the Empire Marketing Board where it belongs, under the department of trade and commerce. If this were done, it may be taken for granted that the minister of that department, Hon. James Malcolm, would not be long in giving the board the fullest co-operation in the display and advertising of Canadian products.

* * *

REPORT of the Empire Marketing Board for 1926 has been issued in London and gives a good idea of the work being done to foster the sales of Empire goods in Britain. The board spends £1,000,000 a year to promote sales of Canadian and other Empire produce in Britain. One of its interesting features is an explanation of the question: "Why should the British taxpayer find £1,000,000 a year in these difficult times for an expenditure which may actually prejudice the British producer, and over which he has no direct control?" The first answer is that this sum is the payment of a debt of honor, and represents the value of certain preferences promised during the Imperial Conference of 1923, which later events made it impossible to grant. The second answer is that the British producer cannot be prejudicially affected. There is, in any case, an ample margin within the total of British consumption for the expansion both of home and of Empire products at the expense of foreign goods; but, beyond this, the most pleasing feature of the board's expenditure is that only about 15 per cent. can be definitely described as devoted to single parts of the Empire. The whole of the remainder of the sum of £774,000, which is the total of the commitments, capital or annual, for this year, is devoted to objects which will benefit indiscriminately all parts of the Empire, and the percentage within this category may properly be increased when it is remembered that 2,000,000 square miles of the Empire lie in the tropics, and their products cannot compete with those of Britain.

* * *

IN RESEARCH, as well as publicity, the Marketing Board is doing excellent work. This has been the most important factor in drawing contributions from outside sources to aid in the work of the board, the Rockefeller Institute, the Empire

(Continued on page 16)

SALES OF CANADIAN GENERAL ELECTRIC SHOW 20% GAIN

Company's Business Continues Remarkable Gains of 1926

EMPLOYEES BUY STOCK

Nearly Half of Working Force is Now in Partnership Under Investment-Profit Sharing Plan

Business of Canadian General Electric Company is continuing the marked increases that were a feature of the 1926 business and that led to a 25 per cent. increase in net profits last year.

It is learned that this year the company's sales are running 20 per cent. above the total of business in 1926. At this time in 1926, business was about 30 per cent. above the 1925 level.

Heavy Unfilled Orders

The high level of increase is certain to be maintained throughout the balance of the current fiscal year because unfilled orders on the books of the company are very large. Reliable information has it that these orders are about $2,000,000 greater than at this time last year.

In 1926 the company showed net profits of $1,170,618 as opposed to $933,751 in 1925. On the basis of current business a further increase in net profits of at least $200,000 is confidently expected by followers of the stocks of the company. This would put a further reserve of earnings behind the preferred shares, which are the chief interest of Canadian investors and which are regarded as among the soundest of Canadian investments, yielding at present prices just under 6 per cent.

Sell Stock to Employees

Company has recently inaugurated a combined investment and profit sharing scheme for the employees which has been a distinct factor in maintaining the morale of the working force and leading to increased production. Under this scheme employees are enabled to purchase preferred shares at 50—the present market is around 59—and to pay for them on easy terms. In addition to getting the 7 per cent. dividend on this stock, employees are allotted a further dividend in the form of a share of net profits and the company guarantees that this shall not be less than an additional one per cent., thus insuring the employees of at least eight per cent. on their funds. To prevent abuse of the scheme the company places all shares in trust and they cannot be sold by the employees for five years after purchase and must be resold to the company if the employee leaves within that period. At the end of five years, employees may take up the stock and sell it in the open market but in such cases they forfeit the profit-sharing privileges.

2,000 Take Up Shares

Under this scheme over 2,000 employees—or nearly half of the total working force of 5,000 — have purchased shares in the company. The stock sold under this plan has not been treasury stock but has come out of the supply of shares already issued and allotted by the company four years ago when General Electric Company, of the United States, bought the Canadian stock at $62.50 plus one $50 preferred share for each $100 share formerly held.

Expansion in the company's business is stated to be noted in every branch of activity. Merchandise sales, including lamps, small electrical apparatus, radio sets and tubes, etc., are said to be showing particularly gratifying increases. Power plant equipment is a more spasmodic producer of sales because of the large average size of orders but, in common with all such producers of such apparatus in Canada, C.G.E. has had increased business this year and the large number of power projects in view insures further expansion in this field.

Not Expanding Plant

Company has no plant expansion in mind; rather it has been working in the other direction in the past few years, having closed down three plants and concentrated production in other plants. This has been done in the interest of economy.

Toronto and Victoria Seek Realtors' Cup

Silversmiths are building a new base for the Realtors' historic Chicago Cup, the trophy held each year by the city whose advantages as a home town are most convincingly portrayed by its designated realtor champion before the National Association of Real Estate Boards at its annual convention.

The cup is offered by the Chicago Real Estate Board. It has been tried for annually in 5-minute speech contests since 1913. And the reason for giving the old trophy the dignity of a new base is that there may be room on its surface to receive the inscription of the winning speaker and the board which he represents at this year's home-town tourney, to take place in connection with the coming annual convention to be held at Seattle, Washington, August 10-13.

Canadian cities are represented in the contest by Toronto, Ontario, and Victoria, B.C.

Quebec Power Buys Another Subsidiary

From Our Own Correspondent.

MONTREAL.—For an amount estimated to be between $1,800,000 and $2,000,000 the Quebec Power Company has purchased the Corporation d'Energie de Montmagny. The purchase further extends the company's territory along the south shore of the St. Lawrence River. The town of Montmagny is situated about 36 miles below the city of Levis, P.Q. The acquired company owned and operated two subsidiaries in the district.

ALBERTA PACIFIC GRAIN WILL SHOW MODERATE PROFIT

Something Has Been Earned on Common, Is Forecast

By Staff Editor.

CALGARY.—The annual report of Alberta Pacific Grain Co. for the year ended June 30, will be available about September 1. The report is awaited with considerable interest because it will be the first since the company was taken over by its present management. The old company was highly successful and popular among the farmers. The new management, with James Stewart as president, is believed to be capable.

Competition of the keenest kind is being experienced by all the independent grain companies. The wheat pool is the competition, although the wheat pool from time to time has found it imperative to use the elevator and marketing facilities of the independent dealers and of the grain exchange.

Show Something on Common

Whether or not competition from the pool has adversely affected earnings of most companies, it is asserted that the Alberta Pacific report will show a moderate profit on the common stock. Sinking fund requirements on the bond issue and the dividend on the preferred stock have been met promptly out of earnings. it is declared.

Assuming that the wheat pool is not going to put all the independent companies out of business, it would seem that the prefered stock of Alberta Pacific, selling around 86, is an attractive purchase. The current yield is high and the price, it would seem, must rise.

Of course, if anyone is of the opinion that the entire Canadian wheat crop will ultimately be marketed by the pool, the prospects of the grain companies do not seem over bright.

Not Eliminate Independents

With the wheat pool marketing something over half of the Canadian wheat crop, and a good deal of that going direct to Liverpool, the grain companies, it must be admitted, have suffered from the activities of the pool. But, whatever pool enthusiasts may be predicting, it is safe to say that the astute H. W. Woods does not anticipate elimination of the independent grain dealer overnight. Mr. Wood thinks that the pool will grow, but he is not predicting how rapidly it will grow.

Alberta Pacific has succeeded in leasing government elevator No. 1 at Vancouver. No. 2 went to the pool. No. 1 is the more efficient elevator, it is said.

CANADIAN OIL MAY ISSUE NEW STOCK IN FALL

Expect New Rights To Be Offered to Shareholders

PREFERRED TO SHARE?

Rumor Has It That Senior Security Will Come in For Some of Benefit—Earnings Increase

Canadian Oil Companies in June enjoyed the best month in the history of the company. Profits for the month, as well as for the first six months of 1927, showed very substantial advance over 1926 figures.

It is stated on the authority of those in close touch with controlling interests in this company that shareholders are likely to be given the opportunity this fall of subscribing for new stock on advantageous terms. Company is expanding rapidly and requires new capital.

Form of Rights Undetermined

The form that the new stock rights will take is yet to be determined. Company now has 96,000 shares of common stock of no par value outstanding. This number of shares is the result of the recent split up in the stock when six shares of no par value were given for each $100 common share formerly held. Expectation is that an additional 24,000 shares will be issued, bringing the total to 120,000 shares.

In addition to the common shares there is outstanding $2,000,000 of preferred stock paying 8 per cent. dividend. It would not be surprising if the preferred stockholders were given some privileges of subscription in connection with the suggested new stock issue. The common is mostly held by those who control the company and it is felt that the preference stock rights should be granted because the preference stock is the one class of shares that is at all widely held in Canada.

Shares Show Steady Advance

Canadian Oil stock both preferred and common have had very remarkable advances in the past year but are still regarded by those who know the company as among the cheapest of the oil shares.

The company was organized a num-

(Continued on page 13)

Ottawa Spends Over Two Million Dollars on Law and Talk

That Is Annual Expense of Senate and House of Commons — $27,000 of That Is Loss on Restaurant Where Members Get Their Meals

Parliamentary efforts at housekeeping are one of the most entertaining sidelights of the Ottawa scene. An examination of the results achieved by the joint labors of the Senate and the House of Commons can only suggest an imperative need for a group of strong-minded and domestic-minded women in parliament. It is apparently the only hope, for men have fumbled for several generations in this household management side of Canadian public life.

The two Houses of Parliament required 252 permanent and 211 temporary employees last year, and it cost nearly $1,000,000 to run the parliamentary household during the late winter and early spring months. This amount is voted each session. Over $1,000,000 is authorized by statute. In all, the parliamentary machine costs $2,352,000 each year. But the most startling feature of the domestic arrangements of parliament is the restraurant. This cheerful institution, which serves digestible meals at reasonable, but not cut-rate prices, has had an annual deficit of $27,000 for the past two years. This deficit is met by an unquestioning House every session despite the fact that a special vote is put through for $25,000 for restaurant staff salaries. This restaurant, which has no heat, light, taxes or wages to meet, loses $27,000 a year on the food it provides to members and senators during four or five months of the year with table d'hotes of 75-cent lunches and $1 dinners, and crowded twice a day during the session.

Inquiries into this extraordinary situation lead into a curious labyrinth of outgrown methods. The restaurant is one of those govermental activities operated under the phrase "notwithstanding anything in the Civil Service Act"—which means that employment in and around the restaurant is a matter of patronage and not within the jurisdiction of the Civil Service Commission. It seems that the restaurant accounts are not audited by the accountant of the House of Commons, but by some other official. It is all very baffling, but the facts are that the country pays $27,000 to keep the members and senators decently fed after the members and senators have already paid reasonable sums for their meals. And no one appears to worry about it.

Other facts from the estimates and the report of the Auditor General, though perhaps not quite as startling as the culinary figures, are interesting. Salaries and contingent expenses in the Senate this year amount to $163,000. Senatorial indemnities and traveling expenses are $395,000. It should be said that the Senate, having a more permanent personnel than the Commons, is run more like a club with a sort of House Committee to keep an eye on the management. The clerk of the Senate, his assistant, the law clerk, the chief translater, and the Gentleman Usher of the Black Rod have salaries totalling nearly $24,000. Eight employees in the "accounts committees and journals branch" have salaries totaling $20,000. Reporting of Senate debates costs $11,000 a year, and the translating another $7,300. Messengers and doormen cost $15,000 a year, char service $14,000, and stationary $10,000. The King's Printer bill to the Upper House is $20,000 a year, and $10,000 is voted to cover "general expenses." The

(Continued on page 16)

Brantford Cordage Passing Through Most Hectic Time on Record

B. C. Electric Rushes Bridge River Plant

By Staff Editor.

VANCOUVER. — Equipment of a construction power house at Bridge River is being rushed by B. C. Electric Co., preparatory to starting work on the 13,200 feet tunnel from which 40,000 kilowatts will be developed in the first two units. Several additional units will be constructed as the growing power requirements of Vancouver and environs demand.

A temporary construction plant at Bridge River is nearing completion.

GOODYEAR TIRE'S EARNINGS ARE UP OVER LAST YEAR

Present Indications Are for Net of $30 on Old Stock

A continuation of present earnings during the balance of the current fiscal year, which ends September 30, next, according to a reliable informant, will result in a net of about $2,500,000 for Goodyear Tire and Rubber Co. This compares with $2,246,600 for the preceding year. Furthermore, it is the intention of the directors to put the common on a dividend basis. Five dollars a share is said to be the new rate.

Dividends on the prior preference and preferred stock will take up about $522,000 so that the estimated amount available for the common this year is about $2,000,000. On the basis of 133,000 shares, this amounts to $15 a share, or $30 on the old stock. After providing for these dividends, earnings last year were at the rate of $21.29 per share on the 53,300 common stock outstanding. Thus there is an estimated increase in net earnings from this year's operations of approximately 50 per cent.

Change Capital Structure

Last year, Goodyear Tire did the largest business in its history, sales having totaled over $26,000,000. Heavy write-offs were made for depreciation of plant, reserves, etc., and though a dividend could have been paid on the common, preferred share restrictions did not allow of it. A change has since been made in the capital structure of the company and the 53,300 shares of old common have been replaced with 133,000 new, which represents a bonus to the shareholders of 150 per cent.

All Plants Busy

In the past ten months, the company has experienced exceptionally good business. The increasing use of motor vehicles within the Dominion has created a demand for pneumatic tires and tubings far above the average. The company also enjoys a very substantial foreign business and is now selling on a profitable basis in 85 countries. Production of belting, hose, packing and sheeting, rubber heels and other products, has been very heavy. Consequently, the New Toronto and Bowmanville plants have been operating to capacity and there is little likelihood of any slowing up in operations for some time to come.

While no information is available as to returns from the Goodyear Cotton Co., of St. Hyacinthe, Que., a subsidiary of the Goodyear Tire, it is highly probable that that organization has been doing an excellent business in view of the unusual activity of the parent company's plants. Goodyear Cotton was purchased about the beginning of April last year, since when a number of improvements and additions have been made to the property. This mill is competing with the lowest competitive markets, and, according to President C. H. Carlisle's statement at the last annual meeting, making a good profit.

American Connection Helpful

One of the principal causes contributing to this remarkable showing. is the close connection of this company with the Goodyear Tire and Rubber Co., of Akron, Ohio. The latter concern has a heavy interest in the Canadian company. Through an agreement which has been in force for some time, the Goodyear Tire of Canada has full use of the patents, discoveries, advertising, etc., of the Akron company. When it is considered that the last item alone is responsible for a large percentage of the sales of the Canadian company, then some idea of the value of this working agreement to the Canadian company may be comprehended.

Despite the increase in the number of shares, Goodyear common is being closely held. Its present selling price is somewhere in the neighborhood of $75, and on that basis a dividend of $5 would net the holder about 6.50 per cent.

Some Evidence Though That Price-cutting is Dying

DUTCHMEN WORRIED

Shareholders of Holland Combine Sore at Losing Dividends—Prospects Better for Brantford Company

By Staff Editor.

BRANTFORD.—The year 1927 will be looked upon as the most hectic period in the history of the Canadian binder twine industry according to C. L. Messecar, president of the Brantford Cordage Co. In all Canadian experience there have never been such conditions as have prevailed during the past few months. Everything has been upset by the business methods of Dutch competitors. Orders have been booked and cancelled as often as four times. This plant has been busy—working at capacity in fact—but the Holland firms have openly boasted that whatever price the Brantford people make, they will cut it by three-quarters of a cent per lb. However, the outlook is much more favorable at the present time, and judging by the advices received from the West, the industry is now in a much healthier condition. It is really just a matter of how long the Dutch can hold on at the present prices. Already the shareholders of the Dutch combine are raising a rumpus because competition has practically wiped out dividends.

Briefly, that is the situation in the Canadian binder twine industry at the present time as found by The Financial Post. The Brantford Cordage Co., which operates the largest binder twine plant in the British Empire, is finding the inroad of foreign competition (without any tariff protection) serious. Undoubtedly the company's greatest asset at the present time is its splendid reputation and connection in the Canadian West. This fact is amply borne out by a telegram which Brantford Cordage Company received last Saturday from a Western organization. This organization is one of the company's largest customers, and in placing an order for more of the company's products, refers to the situation in the West at some length. The telegram is as follows:

"Owing to irregular competition it is most difficult to anticipate possible requirements of twine. Movement, however, will commence around August 1st, please ship half each Fort William and Port Arthur, our initial order. Also wire how much additional you can give us. From present indications will need very considerably more than already ordered. Our people realizing the meaning of the present reduction in price are supporting us to limit, and if we can get your assurance in supplying twine, we can do the largest twine business in our history. Low price regrettable from your manufacturing point of view but hope you can supply the additional quantity required. Have again been offered favorable terms from Holland but staying pat with you, so do all possible to give us all the twine we may require."

This telegram is significant because it indicates both the splendid possibilities for the sale of binder twine during the coming season and also the goodwill that exists between the company and one of the largest handlers of binder twine in the Canadian West.

Now Turn Out Good Quality

The source of the Dutch competition is a firm called the United Rope Works Co. Ltd., of Rotterdam. This concern is an amalgamation of four mills in different parts of Holland, which have combined in order to compete in the various markets of the world. The combination originated in 1920, but it is only within the last two or three years that they have been able to make any real impression on the Canadian trade. A few years

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Background of Canadian Business

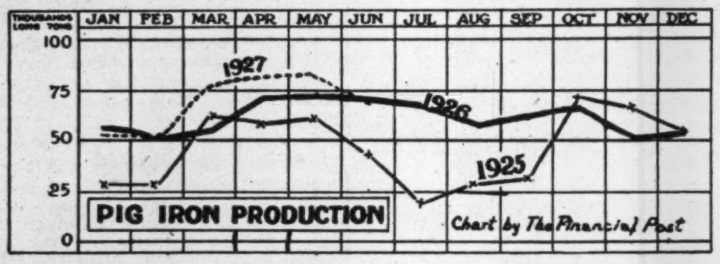
By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Physical Volume of Business High in First Half
Practically All Primary Factors Above 1926 Figures
Iron and Steel Output Declined in June
Construction Actively Prevalent in all Provinces
Foreign Trade Value Shows Generous Increase

THE physical volume of business in Canada was at a high level during the first six months of 1927. According to an index of 26 significant factors, prepared by Sydney B. Smith, the advance over the corresponding period of last year was more than eight per cent. All of the factors included in the index, with four exceptions, showed increases in this comparison. The index of general business in June was 139.3, practically maintaining the high point of 139.7 attained in the preceding month. The tendency in June compared with May was somewhat irregular, fourteen of the factors showing increases and twelve showing declines.

In the manufacturing section advances were in evidence all along the line with the exception of sugar and lumber industries where declines of 8 per cent. and 2 per cent., respectively, were shown. The imports of raw cotton were in greater volume indicating increased activity in textile mills of the preparation for future requirements. The increase in car loadings was about 6.5 per cent., and the employment in wholesale and retail trade showed a similar gain. The index for merchandise imports, placed on a physical volume basis by the elimination of the price factor, averaged 6 per cent. greater, while exports showed a decline of 2 per cent. The indexes of general factors such as bank debits and industrial employment showed increases of 10 per cent. and 6 per cent., respectively, thus contributing to the rise of the index of general business and at the same time confirming the trend of the same index as explained above.



Iron and Steel Output Off

Primary iron and steel industry enjoyed considerable activity from March to May last, but the June production fell off sharply, although in comparison with the same month last year there is only a decrease of 2 per cent. Output last month totaled 69,437 long tons, as compared with 78,987 tons in May and 70,854 tons in June of last year. For the first half-year, cumulative production amounted to 403,713 tons, a gain of 9 per cent. over the 370,864 tons produced in the first six months of 1926 and 39 per cent. over the output for the corresponding period of 1925.

In line with the smaller production of pig iron, steel produced in Canadian mills in June totaled 59,940 tons, a decline of 39 per cent. from the 96,711 in the preceding month and 81,277 tons reported for June last year. For the six months ending June 30, 1927, production totaled 487,310 tons, a gain of 13 per cent. over the 431,184 tons produced during the first half of last year and 15 per cent. over the corresponding period of 1925.

There is usually a lull in the primary iron and steel industry at this period of the year, although the decline is more marked than customarily. The smaller number of large building operations may account in some measure for the decrease as may also the change in automobile models.

Construction on Large Scale

The volume of new construction to be undertaken during the balance of the year, will have an important bearing on industrial activity. While the value of contemplated work already reported is unusually high, it is difficult to forecast just what percentage of this work will be actually undertaken. In the first six months, however, the value of new building compares favorably with that of last year; in fact, the difference is practically negligible. There has been a drop of $21,000,000 in industrial building so far this year, but increases in residential and business construction has offset any loss in the other direction.

In the first six months, Nova Scotia, New Brunswick, Ontario, Saskatchewan and Alberta reported higher aggregates of building permits issued than in the corresponding period of last year; in Saskatchewan, in fact, the total was greater than in any other year since 1920. Of the remaining provinces, Quebec showed a decline of only 3 per cent.; in Manitoba and British Columbia, however, there were reductions of 40.7 per cent. and 10.8 per cent., respectively.

Foreign Trade More Active

Foreign trade figures for last month how imports of the value of $101,329,386 and exports of $107,200,611, as compared with $91,513,173 and $119,398,849, respectively, in the same period last year. Although the favorable balance of trade declined from $17,885,676 to $6,171,225, the aggregate difference between imports and exports for first three months of the current fiscal year—April, May and June—was greater than in the same period a year ago. Moreover, this result has been achieved in a period of declining commodity prices, indicating that the physical volume of trade is expanding. It is also interesting to note that the revenue received by the government through duty collected has increased from $38,096,906 in the first quarter of 1926-1927 to $42,564,128 in the three months just ended. If the present ratio of increase is maintained during the balance of the year, it is not unlikely that further concessions will be made by the government in the way of lower taxation.

In considering the trend of increasing import values, it should not be overlooked that imports and domestic prosperity are closely allied. Developments in this country during the past eighteen months, have been unusually widespread. The hydro electric industry. for example, has been experiencing a continuation of intense activity and it has been necessary to import a great deal of expensive equipment. The pulp and paper industrv has also witnessed the bringing in of a number of new newsprint machines. Agricultural has been more prosperous and imports of farm implements consequently have been heavier.

Automobile Production High

One of the most interesting features of industrial activity during the past six months, has been the manner in which the automobile industry has managed to maintain the record level of activity set in 1926. In that year, the number of motor vehicles turned out by the Canadian companies set a new record for all time. This was achieved without any extraordinary increase in foreign demand; in fact exports of automobiles in 1926 were practically stationary. Marketings within the Dominion, however, were of record proportions. Last month, 16,470 passenger and 2,738 trucks were manufactured, making a total of 19,208, as compared with 25,708 in May and 21,751 in June of last year. Cumulative production for the first six months, however, amounted to 126,181, as compared with 124,877 in the same period of 1926. This is the greatest production for any six months period ever recorded.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest		To Date	
	This Year	Last Year	This Year	Last Year
Production—				
Pig iron, tons (June)	69,437	70,854	403,713	370,864
Steel, tons, (June)	59,940	81,277	487,310	431,184
Newsprint, cwts. (June)	170,590	158,601	996,673	893,753
Automobiles (June)	19,208	21,751	126,181	124,877
Boots and shoes, pair (May)	1,480,003	1,352,720	7,372,268	6,987,373
Flour, bbls. (Feb.)	1,231,000	1,440,000	2,727,000	2,862,000
Construction—				
Contracts awarded (June)	$52,228,600	$54,186,400	$191,323,800	$194,543,600
Building permits (June)	$18,399,858	$18,718,050	$81,373,619	$78,760,419
Labor—Employment index (June)	105.9	101.0	....	....
Transportation—				
Car loadings (to July 16)	63,469	60,258	1,694,315	1,604,729
C.P.R. gross (May)	$15,214,360	$15,492,758	$73,571,659	$69,693,817
C.P.R. net (May)	2,031,630	2,448,876	10,747,847	11,129,583
C.N.R. gross (May)	$22,864,398	$23,021,017	$107,153,564	$102,346,994
C.N.R. net (May)	2,769,759	3,329,230	13,424,222	13,530,154
Population—				
Emigration (May)	5,259	....	26,775	......
Immigration (May)	23,941	18,620	59,382	36,113
Trade—(June)—				
Imports	$101,029,386	$91,513,173	$533,868,916	$486,945,548
Exports	$105,678,453	$118,188,590	$561,032,354	$604,353,157
Imports of key products (May)—				
Rubber, lbs.	5,644,143	......(12 mos.)	52,835,777	46,759,318
Cotton, lbs.	10,129,213	......(12 mos.)	139,187,978	128,765,253
Sugar, $	3,983,427	......(12 mos.)	41,662,974	34,729,252
Petroleum, gal.	49,049,108	......(12 mos.)	700,549,200	588,066,760
Coke, tons (May)	173,727	159,390	850,719	782,939
Exports of key products (May)—				
Newsprint, (cwt.)	2,998,475	......(12 mos.)	35,943,499	30,305,945
Automobiles (pass.) (No.) (Mar.)	6,512	8,033	15,405	17,729
Wheat, bus. (June)	15,863,044	27,791,702	105,130,539	94,294,810
Wheat Flour, bbl.	846,700	1,029,490	4,617,670	5,297,623
Finance—				
Failures, number, (May)	127	124	752	715
Failures, liabilities, (May)	2,235,675	2,065,385	11,920,951	11,856,499,734
Bank Debits (May)	$2,986,235,659	$2,415,275,589	$13,138,481,883	$11,856,499,734
Bond sales (June)	78,361,424	59,305,825	258,520,860	351,775,924
Stock prices index (July 16)	....	....	344.8	179.9
Insurance sales (June)	$45,298,000	$44,634,000	$246,876,000	$228,817,000
Wholesale prices (1913-100))—				
General index (May)	....	....	151.9	156.8
Pig iron	....	....	143.6	144.1
Cotton	....	....	127.2	153.6
Grains	....	....	181.4	188.4
Cattle	....	....	133.9	108.5
Rubber	....	....	84.7	74.2

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Agricultural Survey

Ample Moisture in Land
World Wheat Estimate Up
Bumper Hay Crop Cut
Fruit Situation Fair

Heavy rainfall over the greater part of the Dominion during the past seven days, has assured sufficient moisture for this year's grain crops. Warm weather has brought the crops along in wonderful shape, and while a week or two of sunshine would be beneficial, present conditions are very encouraging. Loss has been experienced on account of heavy rains in isolated sections of the Prairies, but the aggregate damage from this cause is comparatively small. Growth is about a week or ten days backward in the majority of districts, but wheat is heading out with heavy straw and long, well-filled heads. Expectations now are that the wheat yield will be heavier than the 14½ bushels per acre estimated by the government at the end of last month. Alberta is looking for a crop of between 20 and 40 bushels to the acre, with an average somewhere in the neighborhood of 25 bushels. Everything depends upon the weather, of course, but with an even break, the West promises to harvest one of the best grain crops in its history.

World Supplies Larger

The latest crop advices and general indications are that the wheat crop this year for North America will total approximately 1,190,000,000 bushels, as compared with 1,248,000,000 bushels in 1926, a decrease based on current conditions of 58,000,000 bushels. Europe, except Russia, anticipates a yield of 1,277,000,000 bushels, as against 1,211,000,000 bushels last year. The North African wheat crop estimate is 88,000,000 bushels, or 2,000,000 less than in 1926. Early estimates of Asia's wheat crop also show a small decrease, being 368,000,000 bushels, as against 369,000,000 bushels last year. These figures, however, are subject to change and while an increase is now expected, later reports may show a smaller crop than last year.

Cutting of hay has been practically completed. All of it is not cured, however, as rains have called a cessation of operations. Reports from all provinces indicate an exceptionally heavy yield of good quality. There will undoubtedly be a surplus of fodder this winter, and while a small proportion may be exported to the United States and to England, where a shortage is expected, winter feeding of livestock in the East will take care of a large amount.

Vegetables Doing Well

Vegetables and other root crops are doing well. Plenty of moisture has greatly stimulated growth and good yields are expected, especially for potatoes. Last year, the Canadian area planted to potatoes was estimated at 545.918,000 acres, producing a total yield of 46,862,000 cwt., of which it is estimated 81 per cent. was merchantable. It is too early to estimate the acreage, but according to reports received from the different provinces, indications are for an increased acreage this year, as compared with 1926. The great potato growing districts in the Maritimes report that government inspection of pure seed areas is much more extensive this year and that the yield will likely be higher than last year.

Fruit Prospects Fair

Reports from the fruit growing districts are somewhat conflicting, and, in the main, lacking in detailed information. As far as can be judged at present, small fruits have not been very successful. Cold weather and excessive moisture was harmful to the tender plants: Vancouver Island, on the other hand, reports an excellent crop. Apples are coming along splendidly and it is likely that the government's estimate of an above average crop will be borne out by actual results. British Columbia reports that apples are about 80 per cent. of average and are sizing well with high quality anticipated; apricots, 45 per cent.; peaches, 65 per cent.; plums and prunes, 75 per cent.; pears, 50 per cent. Returns in the Eastern provinces for stone fruits will, it is expected, not be very bountiful.

Choose Trans-Atlantic Air Base in Newfoundland

An American aviator who is understood to represent several well known persons interested in the establishment of a commercial airline between the United States, England, France and Germany, arrived in Harbor Grace, Newfoundland, to locate a base. After looking over several possible sites he has chosen one on the southern side of Lady Lake, one mile west of the town of Harbor Grace.

As an experienced aviator, he declares the site chosen is an ideal one in all respects. It is a plateau nearly two miles in length and a mile wide, with a clear view of the Atlantic.

Investment Corp. of Canada Earnings Little Changed

Annual statement of Investment Corp. of Canada, presented in London, shows net profits of £17,849 after expenses and interest. This compares with £17,653 in 1926. Years in each case end April 30.

Directors paid 4½% on preferred stock and added £4,615 to reserve bringing that to £36,811 and reducing surplus from £3,126 to £2,859.

Report states that the valuation of investments shows a depreciation of less than one-sixth of one per cent.

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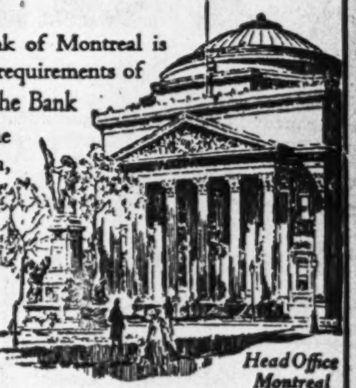

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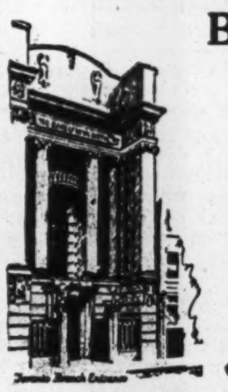

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Careful Test Shows Canadian Business Follows U.S. Trend

But Occasionally Canadian Business Goes Off on Its Own Tack, Just As It Is Doing at the Present Time

By SYDNEY B. SMITH, Ottawa.

In attempting to appraise the business situation as a guide for the prospective trend of industrial stocks in Canada, some investigators place great emphasis on the statistics of Canadian economic factors, while others are inclined to take more interest in statistics relating to conditions in the United States. The latter group support the conception of North America as an economic unit with Canada as an industrial adjunct of the United States. According to this viewpoint New York is the business and financial centre of the continent where business conditions develop in advance, spreading in the course of several months to the outlying sections. Much money has been expended in the collection and publication of the statistics of both countries but the more difficult process of the comparison and interpretation of those statistics has been largely neglected. The result is that the reader of the detailed statistical matter broadcast to the business community is more often bewildered than enlightened as to the fundamental economic trend.

One General Misapprehension

For example there is a general impression abroad that the volume of business in Canada follows that of the United States with a lag of several months, but very little research has been undertaken to prove or disprove this hypothesis.

In the index of general business prepared exclusively for The Financial Post, and published each month, we have a standard which may well represent the trend of physical volume in Canada during the post-war period. The comparison of this index with a similar index based on significant factors of the United States would throw considerable light on the actual relationship of the economic trends in the two countries. In making a selection from a considerable number of excellent indexes of physical volume in the United States, the index of industrial production recently published in the Federal Reserve Bulletin appears to suit our purpose. This index is a weighted average of the physical production of sixty individual commodities representing 35 industries. It is based on figures representing the average daily output per working day, thus eliminating errors due to changes in the number of Sundays and holidays. The daily average output from 1923 to 1925 is taken as a base equalling 100.

Two Indices Fairly Comparable

The index of general business was based on 26 factors representing physical volume in Canada. An attempt was made to counterbalance the affect of the lack of information in regard to production of many actual commodities by including several factors of general significance such as industrial employment, and bank debits placed on a physical volume basis by the elimination of the effect of changes in the general price level. No correction was made for the difference in the length of the month aside from incidental adjustment effected through the use of the indexes of seasonal variation.

Considerable disparity exists between the composition and the methods of preparation of the two indexes but it is considered that each of the indexes measures the trend in their respective fields with a fair degree of accuracy. It is thought, therefore, that a comparative study of the two indexes may reveal important relations between the business trends of the two countries.

General Similarity in Curves

The first step in effecting this comparison consists in plotting the two indexes in a chart such as accompanies this article. A general similarity in the two curves immediately discloses itself. The eye detects a measure of correlation during a greater part of the post-war period. The statistician may also infer that the index of industrial production in the United States precedes that of general business in Canada by several months.

Now these conclusions reached by a careful study of the graphical presentation of the two curves, are in agreement with the opinion quite generally held among business men throughout the two countries. There is a sense in which the business trend in the two countries is closely related and tariff walls and other political considerations do not constitute an effective barrier between the economic life of the two countries. However, the index of general business in Canada shows considerable individuality at times, notably the important increase in the last two years, when the index of industrial production in the United States was not much more than maintained. It is such divergence that warrants the collection and careful interpretation of Canadian statistics.

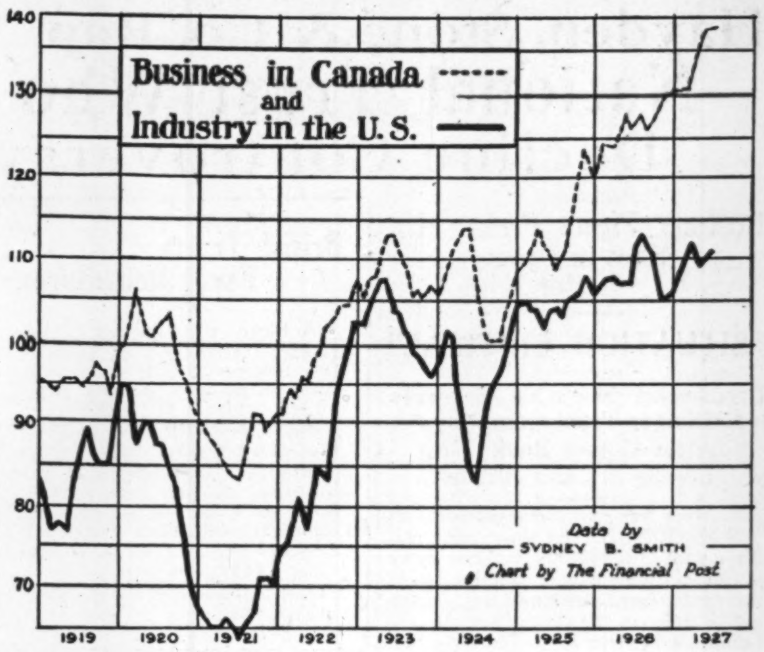
Seventy-Five Per Cent. Match

In order to be able to speak in more specific terms, the formula for the co-efficient of correlation was applied. The co-efficient of correlation between the two indexes for concurrent data was .775, as compared with 1.00 indicating perfect correlation. While this shows that a considerable measure of correlation exists between the two indexes especially when it is remembered that 96 monthly items were used in obtaining this result, still greater co-efficients were obtained when the index of industrial production in the United States was given a lead of two months. The co-efficient when industrial production was given a lead of two months was .842 compared with .832, the co-efficient when the same index was given a lead of one month only. The comparison giving the United States index a lead of two months, resulted in a greater degree of correlation than in any other combination, as the lead of three months gave a co-efficient of .778 while lags of one month and three months resulted in co-efficients of .680 and .535, respectively.

In other words, a marked degree of correlation exists between the two indexes showing the trend of physical volume in Canada and the United States. The American index tended in the post-war period to move about two months in advance of the Canadian index. While this statement cannot be taken to mean that a substantial movement in the industrial production in the United States will be necessarily followed by a similar movement in the general business in Canada, it tends to confirm the general impression that business conditions in the United States have a profound influence on the Canadian situation and that the study of the business statistics of the United States is helpful in the forecasting of the trend of business and also of speculation in the Dominion.

It will be noted that the correlation coefficient in the most favorable combination, that is, when the index chosen for comparison was given a lead of two months, was .842 as compared with a possible 1.00. In spite of this high measure of correlation, Canadian business is inclined in many cases to strike out a new path for itself, irrespective of the influence of the trend in the United States. The striking advance in the last two years is a sample of this tendency, constituting a warning to the business man who would depend only on an economic statistics of the United States as a guide in directing business policy.

Hamilton By-products Coke Ovens has awarded the contract for their new $400,000 benzol plant.



June Sees Fish Catch Lower in Quantity and Value

Total quantity of sea fish landed on both coasts of the Dominion during June, 1927, was 85,537,300 pounds valued at $3,227,866.00, compared with 112,236,40 pounds valued at $3,721,547.00 during June, 1926.

On the Atlantic Coast the total catch of cod, haddock, hake and pollock during the month was 40,299,400 pounds, compared with 40,688,500 pounds in the preceding June.

The catch of mackerel was 10,292,900 pounds, compared with 7,437,000 pounds in the preceding June. Of this quantity 5,400,000 pounds were taken in the vicinity of the Magdalen Islands, Quebec.

Fewer lobsters were taken during the month under review, compared with the same period of the preceding year, 11,961,500 pounds being caught as compared with 13,682,700 pounds in June, 1926. Of the former quantity 1,062,700 pounds were shipped fresh, and the balance canned, making 54,440 cases, while of the latter quantity 1,895,000 pounds were shipped in shell, and the balance canned, making 58,930 cases.

Since the commencement of the lobster fishing seasoon there have been 28,029,800 pounds taken, of which 7,271,800 pounds have been consumed fresh, and the balance canned, making 103,740 cases. In the same period of the preceding season the catch was 28,491,500 pounds, of which 7,683,500 pounds were shipped in shell, and the balance canned, making 104,030 cases.

The catch of halibut on the Pacific Coast was 4,119,800 pounds, compared with 3,203,100 pounds in the preceding June.

Only 258,000 pounds of pilchards were taken, compared with 3,066,000 pounds during June, 1926.

Moose Jaw Subscribes Enough to Build Hotel

Hockenbury Hotel System has sold a hotel to Moose Jaw. Citizens have subscribed $215,000 towards the immediate construction of the hotel which, with the site and furnishings, will cost $350,000. $50,000 of this amount will be paid by "The Associated Canadian Hotels Ltd." towards furnishing the building, leaving only $85,000 to be obtained by mortgage or by the further sale of preferred stock.

The company which will operate the hotel agrees to pay operating expenses, make allowance for depreciation, and pay seven per cent. to shareholders on the actual cash of their investment, in both preferred and common stock. Remaining profits are divided according to an agreed percentage.

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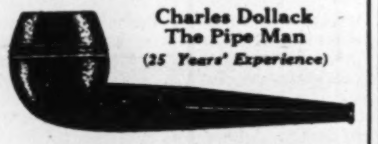
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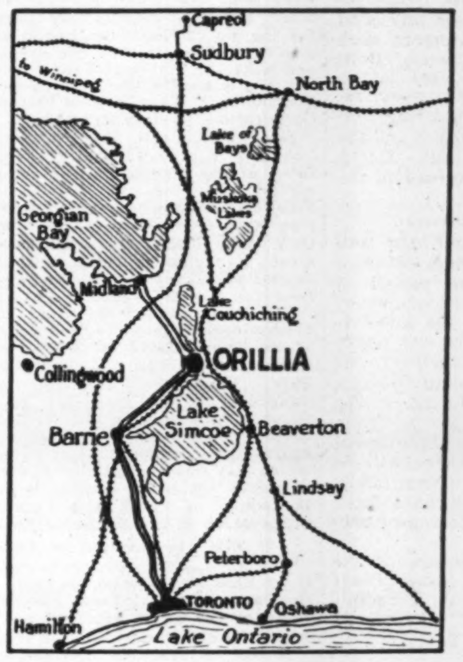

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TORONTO 2

VICKERS PLANT IS WHOLLY OWNED IN THIS COUNTRY

Financing Soon—Company in Sound Position—Outlook Satisfactory

From Our Own Correspondent.

MONTREAL.—The recent change in ownership of the Canadian Vickers plant is significant. The company is now entirely owned by Canadians. Formerly, it was wholly-owned by the parent company in Great Britain and its activities were directed from overseas. It is felt that the sale of the property is perhaps an object lesson to British companies or to foreign companies that contemplate establishing themselves in the Canadian field.

In the past, it has often been the custom of British or foreign firms to erect a plant in Canada and without obtaining any Canadian interest in the property, to expect business to flow in fast and freely. Of recent date, British and foreign firms are finding it advantageous to obtain a Canadian interest in their undertakings in this country in order first of all to build up goodwill and secondly to obtain orders from Canadians more easily.

A Noticeable Trend

One example of this noticeable trend in Canadian industry was the financing of the Canadian Kelvinator plant in this country. And now the Vickers Company has sold out its Canadian plant, lock stock and barrel to Canadians.

There are many points of interest about the Canadian Vickers, Limited. The company's total assets are now carried on its balance sheet at just over $6,000,000—as compared with a figure almost twice as great at which the English company formerly carried the Canadian subsidiary on its books. The fixed asset figure of $6,000,000 is even more interesting when compared with the actual assets.

The company owns a floating drydock capable of accommodating larger ships than run to Montreal and competent engineering opinion places a present day replacement valuation of about $4,000,000 on the drydock alone. Thus it can be seen that the figure of total assets is more than conservative.

The Other Departments

The company carries no goodwill on its balance sheet despite the fact that it has a worldwide reputation for the excellence of its products — as the many Canadians who used the company's machine guns some ten years ago will bear sure witness.

The plants are located in the easterly section of the waterfront of the city of Montreal. The major portion of the property is held under lease from the Harbor Commissioners, but this lease is renewable under terms entirely favorable to the company. The plant is divided into five separate departments; shipbuilding, ship repair, aviation, structural steel, and industrial engineering.

While the shipbuilding department is inactive at the moment, there seems to be every reason to believe that the company will shortly be able to obtain a good proportion of the Government orders for ships for the West Indian trade.

Location is Strategic

In its ship repair department, Canadian Vickers is in a strategic position to obtain business, for 85 per cent. of the volume of ocean-going traffic on the St. Lawrence comes to Montreal and obviously when ships require repairs, they would prefer to have it carried out at the end of their run rather than elsewhere. While there is another dockyard in Montreal, it is owned by associated interests and it is located in a position to obtain the lake traffic rather than the ocean-going traffic.

In its aviation department, the company recently completed 44 planes for the Department of National Defence. The demand for both civil and military aeroplanes, it is anticipated, will be maintained so that this department of the company's activities should show satisfactory profits.

Has Strong Board Now

With the undoubted industrial expansion which is taking place in this country, coupled with the wide interests of the new board of directors of Canadian Vickers, there is every expectation that the structural steel department should be successful in obtaining many orders. Indeed, this has already taken place and the company has of recent date obtained orders from the Gatineau Power Company, the Dominion Textile Company, Courtaulds, Limited, and the Montreal Coke and Manufacturing Company. The last is a subsidiary of the Montreal Light, Heat and Power, Consolidated.

At the present time the industrial engineering department is a hive of activity. Here is manufactured equipment for the pulp and paper mills and for hydraulic and hydro-electric plants. In fact, the industrial engineering department handles industrial equipment orders of almost any kind excluding specialized equipment such as electric motors and dynamos. Boilers and similar products are manufactured. Recently the company received an order for the hoisting machinery of the Hollinger Mines and the Dominion Steel Corporation. Excellent results are being obtained in the engineering department.

Business Has Improved

Orders booked this year are well over 40 per cent. above those obtained during the corresponding period of 1926. In view of the change of ownership of the property and the appointment of a strong, well-known board composed entirely of Canadians, the future progress of Canadian Vickers, Limited, will be extremely interesting to watch.

Shortly the Canadian investment interest in Canadian Vickers will be increased by the sale to the public of a bond issue which perhaps later will be followed by an offering of preferred shares.

The board of the directors of the company now includes: James Playfair, Frank M. Ross, N. A. Timmins, J. M. Stephen, V. M. Drury, J. A. Richardson and George Barr.

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of July 27	98.6	96.6
Week of July 20	97.9	95.0
Month of July, 1926	77.6	74.5
9 Bank Stocks		
Week of July 27	$256	$254
Week of July 20	257	254
Month of July, 1926	226	223
10 Public Utilities		
Week of July 27	111	109
Week of July 20	110	107
Month of July, 1926	94	91

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	1	6	2	9
Paper	6	3	6	15
Steel	11	5	23	39
Foodstuffs	12	7	26	45
Utilities	12	4	12	28
Tractions	3	2	11	16
Industrials	16	11	25	52
Textiles	5	2	10	17
Total	66	40	115	221

Extensive alterations and additions at the Kenora Paper Mills, which began on May 1, are now greatly advanced and should be completed by October 1.

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Hayden, Stone & Co. Rap National Trust Who Decline Controversy

Boston Firm Fires Hot Shot in Open Letter

"SITUATION CRITICAL"

Investment House Severely Criticizes Trust Company—Latter Comes Back With Lesson in "Sub Judice"

From Our Own Correspondent.

MONTREAL.—The typewriter machine guns still continue to blaze away in the big Besco battle. While some of the participants are doubtless obtaining a rest in Muskoka and in the Laurentians prior to the decisive battle which begins on August 2, before the Supreme Court of Nova Scotia, Hayden, Stone and Company slipped over a minor surprise attack in the shape of an open letter to the National Trust Co. Hayden, Stone and Co. is one of the largest investment houses in the United States and is interested in the Besco equities through the sale of what are now Besco's securities to their clients. The investment house is supporting the management of the British Empire Steel Corporation.

The Hayden, Stone letter throws no particularly new light on the situation, but makes many charges against the National Trust Company. These charges, National Trust in a brief reply, declines to answer, declaring that "pending conclusion of the appeal, we do not think it proper, as a matter of courtesy to the court, to participate in any further public discussion of the issues involved."

Leading to Bankruptcy

The letter says that if the National Trust campaign be successful, it can only lead to the bankruptcy of the Dominion Steel Corporation. This, in turn, would entirely divorce the steel industry from the coal industry in Nova Scotia.

The letter goes on to say that the trust company's action in defeating the recapitalization plan of the British Empire Steel Corporation has prevented Besco from receiving badly-needed financial support with which to protect its interest in its principal subsidiary, the Dominion Steel Corporation. In addition, the winding up of the Dominion Steel Corporation now being sought by the National Trust Company if effective, would probably largely wipe out Besco's equity in the Dominion Steel — the largest and the predominant subsidiary in the Besco chain.

The letter further charges the trust company with seeking to gain control of the Dominion Coal Company through the Dominion Steel Corporation. Such action which would prejudice gravely the shareholders of the British Empire Steel Corporation.

Concluding Remarks

The letter concludes with the statement that the trust company has not made a single constructive suggestion for the aid of Besco nor has it supplied one cent of capital to the corporation, and asks the National Trust, in case it has any plan for the protection of the shareholders of the British Empire Steel Corporation, to state it frankly.

Some weeks ago, Hayden, Stone and Company announced that they were in favor of the plan submitted for the recapitalization of the British Empire Steel Corporation and added that if the plan were approved by the shareholders they stood ready, in co-operation with strong Canadian interests, to furnish the capital necessary for the continuance of Besco as a great Canadian enterprise.

The letter makes the point that the bondholders of the defaulted dollar issue of the consolidated mortgage bonds of the Dominion Iron and Steel Company, have heretofore exercised extreme patience. If the Dominion Steel Corporation be wound up and the holders of these bonds take energetic action against the Dominion Steel Corporation which has guaranteed the dollar bonds, it would result in largely wiping out the equity of the British Empire Steel Corporation in the Dominion Steel Corp.

Able Presentation of Case

The Hayden, Stone letter is undoubtedly an able presentation of their side of the case. National Trust Company will reply at the court hearings next week, when the charges will be refuted.

It will be probable that the National Trust's answer to these charges will contain the statement that it is not the trust company's intention to place Besco or any of its subsidiary companies on the auction block. The National Trust Company's idea is that the reorganization of Besco and its constituents can be carried out under the jurisdiction of the courts. In other words, if the first judgment calling for the winding up of the Dominion Steel Corporation be sustained in the higher courts, it will mean that there will ultimately be an exchange of securities in the Besco constituent companies for new securities. The courts will determine the relative value of all the various classes of securities involved in the affray.

Would be Treated Fairly

The National Trust Company's attitude is that in such a reorganization there could be no doubt that each group of security holders would be treated fairly. The National Trust Company has said many times that the reason it has no plan of reorganization is due to the fact that it has not been able to obtain the necessary information regarding Besco and its constituent companies. The Besco management counters this by saying that the trust company has had access to the necessary and relative information.

In a nutshell, the opposing contentions may be summed up by saying that the Besco management feels that its equities in its subsidiaries are in danger and asks to be left alone so that it may carry out the reorganization in its own way and retain, if possible, all its equities. The trust company's attitude is that the Besco management does not deserve the confidence of its shareholders who would fare better in a reorganization and receive better treatment by allowing the courts to adjudicate on the relative merits and values of all the securities involved.

Crop reports continue to be of the best, especially in Southampton, Alberta, where it is said that the yield will be better than in any year since 1915-16.

British Trusts Favor Debentures

A recent examination of the financial structures of twenty-five leading British investment trust companies, having combined capital of £60,507,175, (about $300,000,000) showed that 41.5 per cent. of the issued capital was represented by debentures, 28.5 per cent. by prefered stock and 30 per cent. by common stock. The respective amounts were: debenture capital £25,176,848; preferred stock £17,262,042 and common stock £18,608,285.

NAT. DEBENTURE STATEMENT SHOWS SURPLUS FOR YEAR

Lack of Details Makes it Difficult to Size Up Assets

A surplus of $12,298 is shown in the balance sheet of the National Debenture Corp. for the fiscal year ended April 30th last. This is the first report issued by the company since its establishment and unfortunately it is not possible to form an accurate idea of its financial position on account of lack of details in regard to securities held. Moreover securities and mortgages held are taken at their face value so that it is not possible to determine the equity back of outstanding bonds and debentures without a knowledge of their market value.

Assets of the Corporation are shown at $559,758. Analysis of these show that cash on hand amounts to $10,227; securities sold and pending delivery, $100,164 securities held in trust by the Trusts & Guarantee Co. total $152,974. This sum represents Dominion government, provincial and Canadian municipal bonds, and bonds and debentures guaranteed by the Dominion or any of the provinces. The next item is first mortgages upon improved property in Ontario, also held by Trusts and Guarantee Co., amounting to $42,219. The largest single asset held by the corporation is in bonds and other investments held by the corporation, valued at $291,461, taken at cost and including accrued interest. There are three or four other items, including loans to clients, accounts receivable, etc. which make up the balance.

Liabilities include a wide diversity of bonds, debentures and capital stock. As at April 30, 1927, there were outstanding $41,600 and $133,400, 5½% collateral trust bonds short and long terms respectively. There are $236,400, 6 per cent. floating charge debentures also outstanding in the hands of the public. The liabilities also include $50,000, 6 per cent. income charge debentures and 100,000 shares of common stock, of the nominal value of $1 each, both of which securities are said to be held by officers of the company. Reserves for securities are said to be held by officers of the company. Reserves for securities held by Trusts and Guarantee Co. and premium on common stock amount to $14,990 and $366, respectively. Other liabilities include interest coupons outstanding $24.75; accounts payable, $875; due to clients, $1,738; accrued interest, not due, $8,065; and surplus, $12,298.

INVESTMENTS

Federal and Provincial Government and Municipal Security offerings will be submitted on request

Public Utility			
Bell Telephone Co. of Canada	5%	102.50	4.85%
Canada Northern Power Corp. Ltd.	6½%	103.00	6.20%
Canadian Pacific Railway	4½%	96.00	4.85%
East Kootenay Power Co., Ltd.	7%	105.00	6.46%
Gatineau Power Company	5%	96.75	5.20%
Manitoba Power Company, Ltd.	5½%	100.00	5.50%
Montreal Island Power Company (Carrying warrants to purchase 2 shares Common with each $1,000 bond)	5½%	101.00	5.43%
Montreal Tramways Company, Ltd.	5%	99.75	5.02%
Montreal Tramways Company, Ltd.	5%	96.25	5.25%
Montreal Light, Heat & Power	5%	100.50	4.95%
Northern Canada Power, Ltd.	6%	102.75	5.75%
Northwestern Utilities, Ltd.	7%	102.25	6.75%
Ottawa & Hull Power Co., Ltd.	6%	105.00	5.60%
Ottawa River Power Co., Ltd.	6½%	104.00	6.20%
Southern Canada Power Co., Ltd.	5%	99.50	5.05%
Winnipeg Electric Co., Ltd.	6%	101.00	5.90%
Industrial			
Aluminum Company of America	5%	100.00	5.00%
Canada Paper Company	6%	101.00	5.90%
Canada Steamship Lines	5%	100.25	5.40%
Canada Steamship Lines	6%	99.00	6.15%
St. Lawrence Paper Mills, Ltd.	6%	99.00	6.10%
St. Lawrence Paper Mills, Ltd. (Cum. warrants)	6½%	101.50	6.26%
Windsor Hotel Company	6½%	105.50	5.95%
Preferred Stocks			
Eastern Dairies, Ltd.	7%	99.00	7.07%
Canada Northern Power Corp., Ltd.	7%	100.00	7.00%
East Kootenay Power Co., Ltd.	7%	100.00	7.00%
Ottawa & Hull Power Co., Ltd.	7%	100.00	7.00%
Power Corporation of Canada, Ltd.	6%	96.50	6.22%

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B. C. Permanent Purchase is Ratified by C.P.M.C.

Shareholders of the Canada Permanent Mortgage Corporation have ratified the agreement to purchase the business and assets of The British Columbia Permanent Loan Company of Vancouver.

The "British Columbia Permanent" has total assets exceeding $3,000,000, and is in a strong financial condition. It was founded in 1898 and has therefore been in operation for nearly thirty years.

The Canada Permanent Mortgage Corporation is one of Canada's oldest and strongest financial institutions and is the largest of its kind. It was established in 1855, twelve years before Confederation, and has played a most important part in the development of this Dominion.

Total assets, not including those of the "British Columbia Permanent" are more than $56,000,000.

The "Canada Permanent" is a strictly Canadian organization and has Dominion-wide connections. The taking over of the "British Columbia Permanent" will add another link to its chain of branch offices as it is intended to continue the business of the latter company in Victoria, B.C., as a branch of the corporation.

The special meeting of the shareholders of the "British Columbia Permanent," at which the agreement was ratified, was held earlier.

It is the purpose of the Canada Permanent to retain the entire personnel of the staff of the merging company both in Vancouver and in Victoria.

In Vancouver, T. D. MacDonald, for many years general manager of the B. C. Permanent, will be loan manager, with Albert Whittaker, inspector of the B.C. Permanent, assisting him. In Victoria, Robert J. Robertson, local manager, will continue in that capacity. James Low, secretary-treasurer, will become an officer of the Canada Permanent Trust Company, of which C. H. Warren is estates officer in Vancouver. The combined organizations, with total assets in British Columbia of nearly eight million dollars, will be under the direct supervision of Mr. George I. Legate, present manager for British Columbia of the Canada Permanent Mortgage Corporation.

The present board of directors of the B. C. Permanent will continue to act in the meantime in an advisory capacity for the Canada Permanent and its trust company.

Fidelity American Licensed

The Dominion Superintendent of Insurance announces that the Fidelity American Insurance Company has been authorized to transact the business of fire insurance in Canada. Norman S. Jones, of Hamilton, Ont., has been appointed chief agent for the company in Canada.

New Crown Life Director

H. Victor Cawthra has been elected a vice-president of the Crown Life Insurance Co.

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BRANTFORD CORDAGE PASSING THROUGH MOST HECTIC TIME ON RECORD

(Continued from page 1)

ago their product was of a very poor quality and although the price was lower than the current prices of Canadian and American products, the fine quality and dependability of the Canadian product made it much preferable to the foreign twine.

To-day however the situation has changed, and there seems to be no question that the Dutchmen are turning out a product that as far as quality is concerned, compares in every way with the home product. Evidently they have learned the lesson, that the Canadian farmer demands a reliable product when he entrusts his sheaves to the tying mercies of a binder. However, present indications seem to show that they too are beginning to feel the effects of their own competitive methods.

A letter received a few weeks ago from the continent, stated that during their last fiscal year (that is 1925-26) the net profits of the company were only £60,000, and this on a very heavy capitalization which embraces the four large companies in the combine. This same communication stated that this state of affairs, where profits had practically been eliminated, had been strongly objected to by the shareholders, who were demanding a more profitable basis of operation for their enterprise.

Brantford Cordage Record Good

How about the Brantford Cordage Company itself? First of all there seems to be some misunderstanding among investors concerning the exact position in which this company finds itself. In spite of the hazards of a one-product industry, the company's record so far has been a good one. The history of the company under the present management dates back to the year 1903. In the past 24 years, the present management has built up a splendid business, that has withstood the most gruelling forms of competition without any protecting tariff wall to lean back upon in time of need. One fact, of course, stands out very clearly in this company's history that must not be overlooked by the investor or the shareholder who might be tempted to draw hasty conclusions as to the company's position and prospects. The fact is, that profits in this industry must of necessity fluctuate considerably from year to year.

In the first place, crop conditions, not only in Canada (which is the company's most important market) but also in other parts of the world, are at best a highly variable factor. Therefore, the manufacturers of binder twine must each year gamble on the probabilities of the next year's harvest. They cannot wait until midsummer or even late spring, to probe the possible demands of the trade, but must maintain a steady flow of production from one year to the other if overhead costs are to be properly met and the demands of the trade supplied.

Price Cutting Detrimental

In order to plan production in advance, the manufacturer must have credit and he must have co-operation with his dealers. Price-cutting such as carried on by the Dutch manufacturers—who openly boast that they will undersell the Canadian product by three-quarters of a cent, no matter what the price—is detrimental both to the financing of the industry and to the market. A large tonnage production throughout the year necessitates heavy borrowings, and these in turn must be secured by reasonable assurance of a regular market. This regularity of market (apart from the expected hazard of crop conditions) depends upon the co-operation of the dealers in the country in placing their orders in advance. Price-cutting destroys this co-operation and thus adds additional risk to the regular crop hazard.

To return then to the situation in which the Brantford Cordage Co. now finds itself. The company is engaged in a one-product industry. This one-product is at all times open to tremendous variations in the crop conditions which prevail from year to year. In addition to this ordinary risk which in itself is productive of irregular profits from year to year there is at the present time the added speculation of a market which has been demoralized by a vicious price-cutting war. How long this added risk is going to continue is itself a matter for speculation. As previously mentioned, there are certain definite indications that the price-cutters have pretty nearly had enough of their own medicine.

With these conditions in mind, the company's record may be analyzed. According to the prospectus issued in March, 1925, when the company made its first public offering of stock, the net profits of the company over the previous five years averaged $269,584 per year. For the year ending August 31, 1925, the company had one of, if not the best year in its history, when net profits for the year soared up to $627,190. The next year profits tumbled back to $315,128.

The moral of these figures is a simple one. The investor in the stock of a cordage company must be prepared to face a restless profit scale from year to year. Secondly, it is probably fair to assume that as an indication of future earnings, the five-year average of profits as outlined in the company's prospectus, is a minimum average return in view of the fact that since the stock was issued the company has extended its plant and capacity. Even with these earning the preferred dividends are well looked after, and in 1926, with profits of about $315,000, the Cordage Co. earned its dividends on outstanding stock, twice over; had a surplus of nearly $150,000 to add to its profit and loss account which now stands at $928,931, and all this in spite of very keen competition on the part of the Dutch price-cutters.

High Profits Abnormal

Perhaps it was unfortunate that the tremendous profits of 1925 should have been made when they did. If the investing public had become more accustomed to the average scale of profits, before the extraordinary year of 1925, the effect upon the public sentiment towards the company might not have been so pronounced. In face of the splendid showing of 1925, and the inherent ups and downs of the industry, there probably would have been ample justification if in 1925, the company had ploughed more of the profits back into the business by the indirect route of depreciation, etc., and in that way, by showing a lower profit, prepared its shareholders for the leaner years that might reasonably be expected to appear.

Taking the present price of the company's 8% first preferred stock at 22 (par value $25) the yield to the investor is about 9%, an exceptionally high yield on this class of security, but nevertheless, somewhat indicative of the element of speculation which is inherent in the industry. In spite of the inroads of foreign competition, there seems to be substantial assurance that the company will continue to pay its dividend. As a matter of fact, quite apart from its domestic business, it must not be forgotten that the $1,000,000 order to the Soviet government will affect this year's profits. This order was the best business that the company ever had. Whether the U.S.S.R. will come again to Canada for their binder twine is still problematical. The orders for the 1928 crops have not been placed as yet.

Will History Repeat Itself?

As for the future, prospects seem to be brightening considerably. The plant is busy. The company in spite of tremendous handicaps is still retaining the good-will (and what is more important, the orders) of its customers. And indications are not lacking that the Dutch competition has probably reached its peak, in which case there should be steady improvement in the price situation.

Nearly 20 years ago when the American binder twine interests waged a bitter war against this virile young opponent, the price-cutting lasted for three or four years, but at the end of that time, the company experienced the most profitable five years in their history. Perhaps history will repeat itself. A year from now a truce may have been declared, and peace reign on the little industry in West Brantford. At any rate the management has never yet proved incapable of meeting the problems that it has had to face, and both shareholders and prospective investors may be assured that they have behind them a management that will fight, and fight well, every inch of the way.

Canada Bread Raises Dividend to $6 Yearly

The announcement that a dividend of $3 per share had been declared on Canada Bread common was made on Saturday. This rate shows an increase of 50 cents over the last distribution which was $2.50 for the previous half year. The stock has been quite strong recently. The company's annual report it is expected will be sent out almost immediately and will show very satisfactory earnings, although these will not be greatly different from last year. The company's business is believed to have been very good, its products finding a ready sale.

UNLISTED SECURITIES

	Bid	Asked
Burns, P., pref.	98½	..
Brooks Motor, 1 pref. & 1 com.	3¾	4¾
Can. Machinery, com.	5½	8
Can. Westinghouse, com.	160	170
Chase, A. W., com.	5	8
Do., pref.	.	75
Dom. Combing Units	12	..
Fanny Farmer, com.	30½	32
Do., pref.	29	31
Farmers Dairy, com.	85	..
Farmers Dairy, pref.	100	105
Goodyear Tire, com.	165	170
Goodyear Tire, 6% pref.	99½	100
Goodyear Cotton, pref.	97	103
King Edward Hotel, Deb. B.	59	63
King Edward Hotel, Deb. A.	70	73
Loew's Buffalo, pref.	34	39
Nat. Grocers, 1st pref.	95	97
Nat. Grocers, com.	1	4
Mortgage Discount, pref.	6½	7¼
Toronto Finance, pref.	3¼	..
Insurance—		
British America	30	..
Canadian Fire, Full Pd.	105	110
Canada Life	900	..
Canada National	15	20
Capital Life, 20% Pd.	22	25
Casualty of Canada, Full Pd.	165	..
Commonwealth, 10% Pd.	20	24
Confederation Life, 10% Pd.	78	..
Continental Life, 20% Pd.	52	56
Crown Life, Full Pd.	190	..
Dom. of Can. Guar. & Accident	275	..
Dominion Fire	105	..
Dominion Life, 50% Pd.	400	..
Excelsior Life, 30% Pd.	75	..
Federal Life, 25% Pd.	28	..
Fidelity of Canada, Full Pd.	130	140
Great West Life, Full Pd.	425	440
Imperial Life, 85% Pd.	350	..
Manufacturers Life, 40% Pd.	300	..
Monarch Life, 10% Pd.	38	..
Montreal Life, 20% Pd.	50	56
National Life, 25% Pd.	70	74
Ontario Equitable, 10% Pd.	29	..
Security Life, 40% Pd.	..	22
Sovereign Life, 25% Pd.	37	40
Sun Life, 75% Pd.	1000	1100
Toronto Casualty	28	30
Western Assurance, Full Pd.	33	..

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Carlisle New Superintendent of Mutual Life Agencies

Wilfred Carlisle, who takes over the position of superintendent of agencies of the Mutual Life Assurance Company of Canada on August 1, received his insurance company training with the Manufacturers Life Insurance Co. He joined that organization in 1909 in connection with the mortgage department at head office, and was later transferred to Calgary, Alta. In 1913 he moved eastward again as far as Winnipeg, and five years later found himself in Tokio, Japan, as acting manager for the company's branch in that city. For some time now Mr. Carlisle has been agency superintendent for the Manufacturers.

Scarlett on Chicago Board

R. H. Scarlett, partner of the firm of Fleming & Marvin, has been elected a member of the Chicago Board of Trade. Fleming & Marvin are members of the Standard Stock Exchange, Toronto, and have been established since 1909.

Stock Market Record

WEEK ENDING JULY 26

	Div. Rate	Yield July 25	High for wk.	Low for wk.	Close July 26	Close July 19	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	5.01	262	257¼	257¼	260	110	263½	228
Dominion	12+1	5.34	243	242½	243	242	63	244	217
Can. Nationale	10	5.88	170	170	170	170	35	170	160½
Imperial	12+1	5.67	229	227	229	227	39	236	214
Montreal	12+2	4.59	306	304	304	305	209	306	272
Nova Scotia	16	4.73	338	335¾	335¾	339½	16	341	298
Royal	12+2	4.91	288	284½	285½	287½	166	291	257
Standard	12	5.30	226½	226½	226½	227	24	227½	196
Toronto	12	4.83	248	248	248	249	72	250	227
Paper—									
Abitibi, com. (no par)	5	4.98	101	99½	100	99	4455	101	82
Do. pref.	7	6.03	..	...	...	...	...	119	113
Belgo-Can., pref.	7	6.79	103	102¾	102¾	103	15	105	101
Brompton (no par)	$2	5.55	36	35	35½	35⅞	537	36¾	31
Fraser, pref.	7	7.21	97	97	97	97	1	99⅞	96½
Inter. Paper, c. (no par)	$2.40	4.82	50⅛	49¼	50½	49¾	29200	60⅞	39½
Laurentide	6	6.31	96	94½	95	95½	2153	110¾	90
Price Bros., com.	2	3.70	54	54	54	53	35	63	51¼
Do. pref.	6½	6.37	102	101	102	101	46	104	100
Inter. Paper, pref.	7	...	98⅞	98⅞	98⅞	...	4	98⅞	98⅞
Smith, Howard, com.	.	...	59½	59½	59½	59	55	68¾	59
Do. pref.	8	7.17	..	...	...	...	...	112	103½
Span. River, com.	7	6.88	102¾	101⅞	102	102	1019	102¾	97⅛
Do. pref.	7	6.03	117¼	115½	117¼	115½	96	117¼	110¼
Wayagamack	$3	4.83	62¾	60⅞	61	61	665	62¾	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	..	...	...	...	...	1⅝	½
Do. 1st pref.	.	...	22	22	22	22	30	29¼	10
Do. 2nd pref.	.	...	1½	1¼	1½	1½	205	4	1
Can. Car & Found., com.	.	...	38	36	36¼	36	60	50¼	35
Do. pref.	7	7.91	88¾	88	88	89	75	94½	86¼
Can. Fairbanks, pref.	6	6.66	..	...	...	...	...	90	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	18
Do. pref.	.	...	..	...	...	...	...	87½	66
C.G.E., com. (par $50)	.	...	..	...	...	...	...	60	49
Do. pref. (par $50)	7	5.98	58½	58	58½	58	49	61	45
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	7.14	56	56	56	55	10	60	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.58	82	81½	82	83	7	89	81½
Dominion Bridge	4+2	3.27	183	177	181½	181½	1746	193½	116¾
Dominion Coal	.	....	..	...	...	...	...	85	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	1½
Dom. Radiator, pref.	7	6.96	..	...	...	...	...	101¾	100
Dom. Steel Corp., pref.	.	...	32	31	31	31	135	32	20
Ford Motor	15	...	..	...	...	...	...	475	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, c. (no par)	.	...	12	9½	9½	9	292	15	9
Do. pref.	7	8.23	85	85	85	86½	115	95	85
Massey-Harris, c. (no par)	.	...	39	37¼	38	38¾	8651	42¾	29
Do. pref.	7	6.42	109	108⅞	109	108⅞	405	109¾	103½
McKin. Ind., c. (no par)	.	...	23	22	22½	21½	430	25½	15
Do. pref.	7	7.42	..	...	...	...	...	97	93½
Do. Vot. Trust	.	...	24	21½	24	21½	645	26¾	15
Ontario Steel, com.	4+1	5.29	94½	92½	94½	92½	90	94½	73
Do. pref.	7	6.66	105	105	105	105	25	105	100
Page Hersey, c. (no par)	$3	4.28	73⅛	71	73⅛	71	1400	75½	55½
Do. pref.	7	4.82	146	144	145	143	898	150	116
Pressed Metals, com.	75c	...	..	...	...	...	...	46¾	34¼
Do. pref.	7	7.77	..	...	...	...	...	90	85
Russell Motor, com.	3	5.00	..	...	...	...	...	60	52
Do. pref.	7	7.27	..	...	...	...	...	99	90⅛
Steel of Canada, com.	7	5.21	135⅛	134	134¼	134	670	137½	117
Do. pref.	7	4.89	143	140	140	141	19	143	127
Carriage Factories	.	...	⅛	⅛	⅛	...	50	⅛	⅛
Do. pref.	.	...	44½	44½	44½	...	101	44½	44½
Milling and Foodstuffs—									
Alta. Pac. Grain, c. (no par)	.	...	22	21	21	21½	93	27¼	19½
Do. pref.	7	7.95	88	87½	88	87	135	92	85
Arnolds, com. (no par)	.	...	16⅝	14	16½	14	638	26	10½
Do. pref.	7	8.43	..	...	...	...	...	95	83
Atlantic Sugar, c. (no par)	.	...	26	25	25	25	320	32	21¾
Do. pref.	.	...	..	...	...	...	...	101¼	90
B.C. Fishing, c. (no par)	$1.25	19	18	18½	18½	18⅞	957	22	14⅝
Do. pref.	7	8.53	82¼	82	82	82	426	90	79
Can. Bak., c. (no par)	.	...	28	28	28	28	110	38½	26
Do. pref.	7	7.01	99¾	99¾	99¾	99½	30	102	97
Can. Bread, c. (no par)	$6	5.00	120	113	118	114	305	120	90
Do. pref. (A)	7	6.03	116	116	116	116	5	116½	108½
Do. pref. (B)	7	6.66	108	105	108	107½	49	112¼	103
Can. Canners, com.	.	...	50	48	50	50	40	63½	21
Do. pref.	5	5.46	91½	90	91	91	360	97	76
Canadian Salt	8	6.06	135	135	135	132	10	136	123
Christie Bis., c. (no par)	$1.20	1.87	..	...	...	...	...	66	38
City Dairy, c. (par $25)	3+1	2.96	135	124	133	120½	570	135	79
Do. pref.	7	5.83	..	...	...	...	...	121	112
Cuban Can. Sugar, c.	.	...	1½	1½	1½	1½	5	5	1½
Do. pref.	.	...	27	27	27	27	10	37	27
Wm. Davies (A) (no par)	.	...	39¾	39¾	39¾	40	450	45	25
Do. (B) (no par)	.	...	12	12	12	12	10	19½	9
Dom. Stores (no par)	$2.40	2.92	83	81½	82	82½	865	85½	65
Do. Rights	.	...	..	...	...	...	...	4	2¾
Ham. Dairies, c. (no par)	.	...	31	31	31	29	10	33	24
Do. pref.	7	7.25	96½	96	96¼	96	59	98½	96
Inter. Milling, pref.	7	6.73	104	104	104	105	28	107	104
Lake of Woods, com.	12	8.57	140	140	140	140	65	160	130
Do. pref.	7	6.25	112	112	112	112	25	117	110
Loblaw, com. (no par)	$1.25	2.50	50½	49½	50½	49½	218	51	48
Loblaw, pref.	7	6.36	110½	110½	110½	110	10	111	107
Maple Leaf Mill., com.	.	...	61	60	61	61	335	73¼	49
Do. pref.	7	7.29	96	95	95	95	52	101¼	94
Ogilvie Fl., c. (no par)	5	1.83	273	273	273	273	50	290	205
Do. pref.	7	5.73	125	125	125	122	3	125	120¼
Pure Gold Mfg. (no par)	$1.50	7.14	21½	21½	21½	21½	50	21½	19⅛
Shred. W., new c. (n.p.)	$3	4.59	64	62½	63½	65¼	100	70½	55
St. Law. Flour., com.	.	...	..	...	...	...	...	31½	28
Do. pref.	7	8.23	..	...	...	...	...	85	80
Viau Biscuits, c. (no par)	.	...	..	...	...	...	...	26	18
Do. pref.	7	7.77	90	90	90	90	25	92½	83½
W. Can. Fl., c. (no par)	$1.40	5.60	24	24	24	24⅞	25	29½	22
Do. pref.	6½	6.43	..	...	...	...	...	103¼	100
West. Groc., c. (no par)	$1	...	..	...	...	...	...	29	18
Do. pref.	7	9.42	..	...	...	...	...	84	74¼
Utilities—									
Bell Telephone	8	5.32	150¼	148¼	150	148	680	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.52	181	180	181	180	636	182	171½
East Koot. Pr. (no par)	.	...	..	...	...	...	...	29¼	26
Do. pref.	7	7.36	..	...	...	...	...	98½	95
Inter. Util. (A) (no par)	$3.50	8.97	40	39	39½	39	85	42	28
Do. (B) (no par)	.	...	6¾	6¾	6¾	7	10	7⅝	4½
Jamaica Pub. Ser., pref.	7	6.96	100½	100½	100½	100	12	100½	97
Laurentide Power	5	4.67	107	107	107	107	175	120	107
Mackay, com.	7	6.19	113	112	113	113	180	127½	108
Do. pref.	4	5.79	69	68	69	69	143	74	68¼
Mexican Light, com.	.	...	..	...	...	...	...	44	27
Do. pref.	.	...	..	...	...	...	...	120	77¼
Mont. L H & P (no par)	$2	2.41	83¼	82	83¼	82	1875	85¾	68⅛
Montreal Teleg (par $40)	8	5.20	51	51	51	51	5	51½	49
Nor. Mexico Pr., com.	1	...	78	75	76	79	753	83	42
Do. pref.	7	7.56	..	...	...	...	...	93	82½
Ot. & Hull Pr., c. (no par)	.	...	..	...	...	...	...	28	26
Do. pref.	7	7.07	..	...	...	...	...	99½	96
Ottawa L. H. & Pr., com.	6	5.60	107	106½	106½	106	10	108	98½
Do. pref.	6½	6.19	105	105	105	103½	40	107½	102
Quebec Power, com.	6	2.29	265	260½	263	261	225	311	190
Shawinigan (no par)	$2	2.50	81	78½	80	78⅞	7219	93¾	67
So. Can. Pr., c. (no par)	$2	2.15	92¼	92	92	93	205	97	85
Do. pref.	6	5.97	100½	100	100½	100	29	102½	99½
Transportation—									
Can. Pacific Rly.	10	5.34	188	184¾	188	185	186	190	166
Can. Steam., c. (no par)	.	...	36½	36¼	36½	36¼	260	42	35
Do. pref.	6	6.74	89½	88½	88½	90	519	94¾	82½
Do. voting	.	...	..	...	...	...	...	37½	32½
Tractions—									
Barcelona (par $50)	1	...	54	54	54	55	25	55	33½
Brazilian, com.	6	3.54	169⅞	164¾	168⅜	168⅛	36122	172	102½
Do. pref.	6	4.34	140	137½	140	140	2333	143½	104
Detroit Un. Rly.	.	...	2½	2½	2½	2	50	5	2
Duluth-Superior	$2	2.69	..	...	...	...	...	30⅝	25
Illinois Trac., pref.	6	6.09	..	...	...	...	...	98½	98½
Minneapolis S.S.	.	...	..	...	...	...	...	43½	42¼
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.40	..	...	...	...	...	200	169
Ottawa Traction	4	5.97	67	67	67	67	15	70	64
Porto Rico Rlys., com.	2	2.80	..	...	...	...	...	70⅝	59
Do. pref.	7	7.29	..	...	...	...	...	96⅛	90
Twin City, com.	4	7.40	55	54	54	55	504	66	48¾
Do. pref.	7	6.86	..	...	...	...	...	101	100
Winnipeg Elec., com.	1	...	73½	72	73	73	205	79¾	60¾
Do. pref.	7	6.66	105	103	105	103½	49	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	8.98	44½	44½	44½	44½	18	50	36
Can. Converters	7	7.29	99	96	99	96	25	107½	92
Can. Cotton, com.	8	6.45	..	...	...	...	...	132	120
Do. pref.	6	6.06	99	99	99	98	4	100	95
Can. Woollens, com.	.	...	8	8	8	8	25	10	6
Do. pref.	.	...	..	...	...	...	...	63½	59¾
Cosmos Imp., c. (no par)	.	...	27	26	27	26	870	27	13
Do. pref.	7	7.03	100	98½	98½	98¾	60	101	91¼
Dom. Textile, c. (no par)	$5	4.34	115	114½	115	114½	130	120⅝	105
Do. pref.	7	5.73	122	122	122	122	16	122	117
Monarch Knitting, com.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	..	...	...	...	...	54	49
Montreal Cottons, com.	6	5.21	..	...	...	...	...	117	110
Do. pref.	7	6.14	115	115	115	115	29	118	114
Penmans, c., new (no par)	$4	5.63	74	73¼	74	71	277	79	70
Do. pref.	6	5.82	102	102	102	103	1	105	101
Wabasso Cotton (no par)	6	6.52	92	92	92	92	35	116	84
General Industrials—									
Amer. Sales, c. (par $20)	4	6.55	61	60½	60½	60½	3	75	60
Do. pref.	7	6.93	100¼	100	100¼	100¼	51	102	97½
Asbestos C., c. (no par)	.	...	24	23½	24	23	1902	25	20
Do. pref.	7	7.97	88	87	87⅞	87⅞	366	90	82¾
Brant. Cord., pf. (par $25)	8	9.19	21¾	21½	21¾	21½	194	25	21

	Div. Rate	Yield July 25	High for wk.	Low for wk.	Close July 26	Close July 19	Sales for wk.	Range, 1927 High	Range, 1927 Low
Building Products, pref.	7	7.14	..	...	...	...	...	98	93½
Burt, F. N., c. (par $25)	$3	4.91	61	60	60⅞	61	234	66	56½
Canada Cement, com.	6	4.10	146½	145	146	145¾	337	153½	124½
Do. pref.	7	5.88	121¼	118	121¼	118	125	121½	116
C. Ind. Alc., (no par)	$1.28	4.00	33¾	32	33¾	32	19143	34½	21¼
Canadian Oil, c. (no par)	1	...	21	21	21	23½	25	24⅞	23¼
Do. pref.	8	6.61	121	117½	121	116	26	121	115½
Crow's Nest Coal	6	11.53	52	50	50	58	95	71⅛	50
Dom. Glass, com.	7	6.03	118	116	116	118	175	125½	104
Do. pref.	7	6.14	114	114	114	114	5	115	111¼
Dom. Rubber, pref.	7	...	..	...	...	...	...	87½	80
East Theat., c. (par $25)	.	...	..	...	...	...	...	30	24
Do. pref.	7	7.52	97	97	97	93	12	97	92½
Famous Players, com.	.	...	30¾	30	30¾	30½	66	31	20
Do. pref.	8	8.29	96½	96	96½	96	302	101	93½
Gilman, com.	6	5.45	110	110	110	110	10	112	110
Do. pref.	7	6.08	115¼	115	115	115	20	125	110
Goodyear Tire, pref.	7	7.01	100	99¼	100	100	138	109	94½
Hayes Wheel, c. (no par)	.	...	34	31	34	31	1149	34	27¾
Do. pref.	7	7.21	95	97	97	91	15	96	91
Holt, Renfrew, com.	.	...	45	45	45	43	4	43	43
Do. pref.	7	7.60	..	...	...	...	...	92	85
Hunt's, Ltd., c. (no par)	.	...	23¼	23¼	23¼	24	5	25¼	20
Do. pref.	7	7.60	..	...	...	...	...	95	90
King Edward Hotel	$1	...	43	41	43	42½	55	60	20
Lake Ont. Brew.	50c	...	8¼	8	8	8½	200	27	24
Laura Secord, c. (no par)	.	...	33⅞	31½	33½	34	145	35	26
Do. pref.	7	6.43	109	108¾	108¾	109	58	112	102
Lyall Construction	.	...	30	30	30	30	6	45¾	25
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	6.84	..	...	...	...	...	105	96½
Muirheads (no par)	.	...	9	9	9	9¾	20	9¾	9
Do. pref. (par $10)	7	6.25	..	...	...	...	...	11¼	11¼
Nat. Brew., c. (no par)	$4	5.75	70	69½	69½	70	640	73½	65
Do. pref.	7	6.48	108	108	108	108	15	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	...	..	...	...	...	...	81	56
Pacific Burt, com.	6	6.18	..	...	...	...	...	100	87
Do. pref.	7	6.48	..	...	...	...	...	108⅛	102
Port Hope Sanitary, com.	3	2.14	145	145	145	140	85	145	125
Do. pref.	7	6.54	..	...	...	...	...	108	90
Rogers, Wm., com.	.	...	70	70	70	75	5	80	64
Do. pref.	7	7.00	100½	100½	100½	100	10	102	92
Seagram (no par)	.	...	24	22	22½	22½	3872	28⅞	15
Sher-Williams, com.	6	3.63	..	...	...	...	...	170	142
Do. pref.	7	5.93	..	...	...	...	...	120½	117
Standard Chem., pref.	.	...	..	...	...	...	...	20	15
Sterling Coal	4	13.33	..	...	...	...	...	36	30
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	7	8.33	..	...	...	...	...	72	68¼
Tuckett Tobacco, com.	4	5.31	..	...	...	...	...	75½	69
Do. pref.	7	6.60	..	...	...	...	...	107	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.18	..	...	...	...	...	89	76
Stanfords, com.	.	...	20	20	20	...	266	20	20
Do. pref.	7	7.60	92	92	92	...	10	92	92
Trust and Loan—									
Can. Landed (par $50)	10+1	5.40	..	...	...	...	...	101¼	94
Can. Permanent	12	5.45	221	220	220½	221	27	223½	216⅛
Colonial Invest. (par $10)	6	...	..	...	...	...	...	7	5
Hron & Erie	7+½	4.96	..	...	...	...	...	152¼	139
Landed Banking	9	5.23	..	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.91	..	...	...	...	...	52¾	47
National Trust	12	4.78	..	...	...	...	...	255	232
Ontario Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	6.86	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.91	..	...	...	...	...	246	220
Toronto Mtge. (par $50)	10+1	5.37	..	...	...	...	...	103½	100
Union Trust	7	6.19	..	...	...	...	...	113	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	7.12	..	...	...	...	...	98¾	98
Attendu Eng. (par $1)	.	...	17¼	16½	16½	17	160	35½	14
B.C. Oilfields (par $5)	.	...	..	...	...	...	...	2¾	2
Beacon Oil	.	....	17	17	17	16½	50	20¾	15
Belding, com.	6	8.95	70	67	67	70	30	88	67
Do. pref.	7	7.23	96¾	96¾	96¾	98	60	100	96¾
Brading Brewery (no par)	50c	...	25	25	25	20	25	25½	20
Brit. Amer. Oil (no par)	80c	3.33	25	24¼	24½	24¼	5576	28	20
Brew. & Distil. (par $5)	5	....	6½	6½	6½	6½	210	6½	4½
Can. Brewing (no par)	.	....	25⅛	24¾	24¾	27⅛	325	30¼	23
Can. Bronze, c. (no par)	.	...	45	43¾	45	43¾	575	50¼	43
Do. pref.	7	6.96	100½	100	100½	98½	104	101	98½
Can. Celanese (no par)	.	...	74½	70¾	74½	72½	1460	73½	52¾
Do. pref.	.	...	94	94	94	88	5	92	88
Carling Brew. (no par)	.	...	25½	24⅞	24⅞	25	975	28½	22⅞
Can. Light & Power	.	...	..	...	...	...	...	55	20
Can. Nor. Pr., c. (no par)	.	...	..	...	...	...	...	53½	42
Do. pref.	7	7.14	98	98	98	98	50	100	98
Cockshutt, pref.	4	5.88	69	68½	69	68	50	82	67
Continental Oil	$1	...	..	...	...	...	...	22¼	17
Cosgrave Brew. (par $10)	$5	5.26	9¾	9¼	9½	9½	635	12	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	...	..	....	...	...	...	54	50½
Com Alcohol (no par)	.	....	..	...	...	...	...	70	15
Foothills Oil	.	...	2.00	2.00	2.00	2.20	500	3.25	2.10
Dom. Engineering	8	4.21	190	186	186	188	55	190	185
Dom. Power, pref.	7	7.00	..	...	...	...	...	101	100
Dryden Power (no par)	.	...	14	10	13	10½	1174	15½	9½
East. Dairies, c. (no par)	.	...	26	24½	24½	26⅞	70	29¼	20½
Do. pref.	7	7.36	..	...	...	...	...	96½	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18½	15
Do. pref.	.	...	..	...	...	...	...	95	72½
Good. & Worts (no par)	$1	1.96	52½	50¼	50¾	52	825	64	43¼
Chas. Gurd, c.	.	...	33	32	33	31¾	3296	33¼	28¾
Do. pref.	.	...	94	93¾	94	94	183	94	94
Hiram Walker (no par)	.	...	49⅞	48¼	49	49¾	3610	57¼	28½
Illinois Power, pref.	7	7.00	100	100	100	100	40	101	98
Imperial Oil (no par)	$1.12½	2.54	44¾	44	44⅝	44¼	2407	47	37¾
Imp. Tobacco, c. (par $5)	6	3.75	8¼	8	8	8½	545	8½	6¾
Inter. Pete. (no par)	75c	2.59	29½	28¾	28¾	29	737	35¼	28
Inter. Power, com.	.	...	17	17	17	17	50	17	14½
Do. pref.	.	...	..	...	...	...	...	90½	85½
Loew's London	25+55c	...	..	...	...	...	...	5⅝	4½
Mitchell, J. S.	.	...	30	29¾	30	29¾	27	32	28
Manitoba Power (no par)	.	...	55	54½	55	55	75	58½	50
McColl, com. (no par)	80c	2.02	39¼	38½	38½	38¾	448	41	22½
Do. pref.	7	6.07	116½	115¼	116½	116	608	118½	100
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	40	40	40	49	10	55¾	47½
North Bak. (no par)	.	...	32	30	31	30	5525	36¾	25
N. Star Oil, c. (par $5)	.	...	2.00	2.00	2.00	2.50	100	2.55	1.15
Do. pref. (par $5)	7	...	4.91	4.91	4.91	4.95	500	5.01	4.90
N.S. Car, com. (no par)	.	...	21	21	21	22½	4	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	7.44	..	...	...	...	...	48¼	47
Ottawa Riv. Pr. (no par)	.	...	23¾	23¾	23¾	26	50	26	23
Paton Mfg., com. (no par)	.	...	..	...	...	...	...	60	25
Do. pref.	.	...	..	...	...	...	...	100	98
Power Corp., c. (no par)	.	...	43¾	40½	43½	40	7742	44	27¼
Do. pref.	6	6.31	96	95	95	95½	115	97½	94
Port Alfred, pref.	7	7.33	..	...	...	...	...	97½	95
St. Maur. Power	.	...	125	125	125	126	50	150	96
St. Maur. Valley, com.	.	...	55	52	55	52	270	57½	47
Do. pref.	7	7.33	..	...	...	...	...	98	90½
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	102	100
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	200	150
St. Law. Pap., c. (no par)	.	...	41	40	41	40	130	54	35
Do. pref.	8	7.54	..	...	...	...	...	108	104
Standard Clay	.	...	..	...	...	...	...	40	38
Toronto Brew. (no par)	.	...	12	12	12	12	60	13¼	12
United Secs., com.	.	...	50	50	50	48	25	70½	43½
Do. pref.	6	5.71	105	103¾	104	103½	144	105¼	103¾
Volcanic Oil (par $25)	$2.52	1.34	..	...	...	...	...	47½	36
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6¼
Volcanic Oil Rts.	.	...	1.05	95	105	110	2736	150	95
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	..	...	...	...	...	25	20
Zimmerknit, com.	.	...	19	18¼	18¼	18¾	255	19	18¼
Do. pref.	.	...	91	91	91	91	30	91	91

xQuotations for 1926. No sales recorded in 1927 to date.

DO YOU VALUE RELIABLE INFORMATION?

Over $9,500,000 in cash was paid as dividends by the gold and silver mines of Ontario last year.

DID YOU GET YOUR SHARE?

Two years ago we advised the purchase of Teck-Hughes at $1.35. Now the mine has entered the dividend paying stage and the stock is selling above $7.50.

At the present time, we strongly recommend a LISTED stock, representing a WORKING property and selling right now below TEN CENTS, which we certainly believe has a brilliant chance to make good.

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This does not obligate you to us in any way. On listed and unlisted securities our means of obtaining the most reliable information assures you of that protection which conservative investors appreciate.

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Elgin: [illegible]

Pulp & Paper

INTERNATIONAL STARTS GATINEAU THIRD MACHINE

Newfoundland Option Expires September 15—Ask Export Rights

From Our Own Correspondent.

MONTREAL.—The third machine in the Gatineau newsprint mill of the International Paper Company is now producing paper. The first machine went into operation in the middle of April and the second machine in the middle of May. The fourth and last machine will commence operating soon. As each machine has a rated capacity of 125 tons of newsprint a day, the completion of the fourth machine will bring the plant up to its ultimate rated capacity of 600 tons of newsprint daily. Along the Gatineau river watershed, the company has 6,500 square miles of timber limits which it is estimated are sufficient to supply wood for the Gatineau mill in perpetuity. All the pulpwood is driven by water to the mill.

Purchases Power Stock

The International Paper has purchased the holdings of the Hartford Electric Light Company in the New England Power Association. The purchase of these 20,000 common shares brings the total holdings of the company up to 340,000 common shares of the New England Power Association, making it the largest single stockholder and giving it what amounts to working control of the association. There are 784,851 common shares in the Power Association outstanding.

As far as can be learned at the moment, there seems to be little doubt that the International Paper will finally acquire the paper plant on the west coast of Newfoundland, now controlled by the Sir W. G. Armstrong-Whitworth interests.

International option on the Newfoundland Power and Paper Company expires on September 15th next. The International Paper Company has made a complete valuation of the assets and it is believed that a new subsidiary, known as the International Paper Company, Ltd., will acquire the property.

Concessions From Government

In addition to acquiring the 400-ton newsprint mill, it is understood that International will take over 3,000,000 acres of timber limits in the immediate vicinity of the mill, the 100,000 horse power hydro-electric plant, and in addition certain holdings formerly owned by the Reid Newfoundland Company, consisting of approximately 2,500,000 acres of timber limits and containing water powers which are capable of developing 50,000 horsepower.

It is further said that the International Paper Company proposes to expand the capacity of the mill by an addition of two new newsprint machines. It is understood that the only concession which the company is asking from the government of Newfoundland is the right to export in perpetuity 75,000 cords of pulpwood annually. This, it is claimed, is not a large concession when it is realised that a large percentage of the standing timber in Newfoundland is overmature, and that the Dominion is supposed to contain some 45,000,000 cords of pulpwood.

STARTLING RISE IN EXPORTS OF HIGH GRADE PAPER

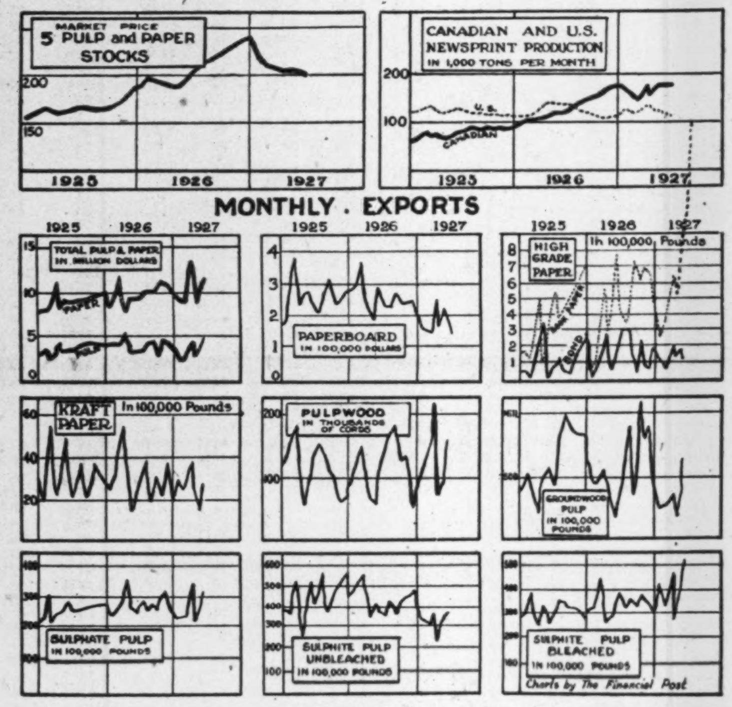
Five Paper Mills Do Well—Pulp and Paper Exports Up

From Our Own Correspondent.

MONTREAL.—The monthly export figures of the pulp and paper industry reveal a startling increase in the amount of high-grade paper exports during the months of May and June. In April, book paper exports amounted to 535,000 pounds, which, as the accompanying charts reveal was a satisfactory figure. But in May, the exports of book paper jumped to over 1,282,000 pounds, and in June the total again increased to 1,647,000 pounds.

The increase in the exports of high-grade paper indicates one of two things: either the high-grade paper mills are doing a better business, or foreign markets are being used to absorb tonnage which could not be sold in Canada. But the general concensus of opinion is that this year the high-grade paper mills are finding the domestic market very satisfactory, so that the jump in the export figures may be regarded as a very favorable portent.

The chart shows also that since April the total exports of paper have increased, and that the exports of pulp are holding their own. As compared with the last few years, the foreign markets for Canadian paperboard appear to be considerably weaker.



Kraft Position Satisfactory

While the exports of kraft paper for the last twelve months are below the preceding twelve months period, yet it is thought that the domestic market is absorbing more of the exportable surplus. This is borne out in the good results which the Wayagamack Pulp and Paper Company is obtaining, and which have, over the past few weeks, brought about increased prices for its shares.

The export figures reveal that after some months of anything but satisfactory business, the groundwood pulp mills have been able to increase their exports.

The exports of sulphate pulp are doing better than holding their own this year, and the demand for sulphate pulp is one of the satisfactory elements in the Canadian pulp and paper industry.

Unbleached sulphite pulp exports have increased during the last two months, but the decline this year as compared with 1926 is presumed to be due to the fact that Canadian newsprint mills are absorbing more and more of the surplus unbleached sulphite production. However, the exports of bleached sulphite pulp are showing a steady and satisfactory increase, both in tonnage and in price.

SAY I. P. WILL EARN $5 A SHARE IN '29

This Is Forecast Made by Boston Investment Banking Firm

A forecast of possible earnings of International Paper Company, made by Schirmer, Atherton and Company, a Boston investment house that is believed to have consulted with the management of the company before issuing its review, indicates that the company may be expected to earn the following amounts per share on the common stock:

1927	$2.50
1928	4.00
1929	5.00

It is pointed out that these figures are based on the company's conservative accounting practice. Under a more liberal accounting policy, it is believed that at least an average of $3 a share could be added to these figures.

The review indicates that within the last four years a total of $27,500,000 has been paid into the company's treasury in cash for new issues of common stock. At least an equal sum, realized from earnings, depreciation and depletion, and other reserves, and the sales of capital assets no longer required by the company, has been reinvested in the properties. The total of $55,000,000 is equal to $55 a share on the 1,000,000 shares of common stock to be outstanding, a sum substantially in excess of present market value.

"While the transitory period may last from three to five years, it is our belief that the net earnings of the company will rise steadily for several years as new paper plants come into full and more efficient production, the benefits of expenditures on older mills accrue, latent assets are used, and earnings from power developments and investments are received," says the review.

"It is logical to expect the stock to move up gradually in reflection of this outlook. Hence, International Paper common appears to be an excellent purchase in a well-managed company with bright prospects."

Purchase of the stock is recommended by Schirmer, Atherton & Co., for the following reasons:

"The company has the benefit of excellent management.

"It is emerging from the period of newsprint deflation in good physical and financial condition.

"In the past few years its paper business has been largely reconstructed. More efficient mills have been built. High-cost production units have been sold or remodeled.

"International Paper Company is one of the largest owners of water powers on the North American Continent. These are being developed and should greatly enhance future earnings.

"The company's assets are carried on the books at very conservative figures, which do not reflect full actual values.

"If the management followed less conservative accounting practice, higher current profits might be shown.

"We believe the stock will move much higher in the next few years, reflecting large earnings expected from utility properties and modernized paper mills.

"Because of the company's bright outlook, the stock is in a position to advance even if confronted witth a serious decline in the general stock market.

"At current quotations around 45, it yields 5.33 per cent. on the $2.40 per share annual dividend now in effect."

INTERNATIONAL PAPER 6'S ARE CONVERTIBLE

Also Carry Interesting Rights To Buy Common Stock at $40

In the present market convertible bonds and those carrying stock warrants are devolping increased popularity day by day, partly because the genenal run of industrial issues is selling at the lowest yields in a decade and also because investors are becoming more versed in the speculative features of bonds that give them opportunities for profits aside from the fixed return.

International Paper Co. convertible debenture 6s, due October 1, 1941, have a rather novel convertible feature; they may be converted into 7 per cent. cumulative preferred stock at the rate of 1 share, par value $100, for each $100 principal amount of debenture bonds. In other words, the bonds are convertible into 7 per cent. preferred stock on a basis of par for par to and including the date of maturity of the bonds.

In addition to this privilege, the holders who convert on or before October 1, 1928, have the right to purchase common stock at $40 a share on the basis of two shares of common stock for each $1,000 principal amount of bonds so converted. As the common stock is now selling around $50, the rights to purchase common shares under this plan have market value.

The directors of the company may in their discretion extend the time during which common stock may be purchased by holders of the debentures and also may fix the price, terms and conditions upon which such purchases may be made during such extended period or periods. The 6 per cent. convertible debenture bonds are redeemable on the first day of any month on 30 days notice at 102½ through October 1, 1929; at 102 through October 1, 1932; at 101½ through October, 1938; at 100½ thereafter prior to maturity, including interest in all cases.

International Paper convertible 6s were issued on October, 1926, in amount of $25,000,000 and offered at 98 and interest. They now are selling around 101, to give a direct return of about 5.94 per cent. This yield is generous in the current market. Although these bonds are not secured by a mortgage and are subject to approximately $44,437,000 prior liens, the strength of the company in assets and earning power seems to justify a fair rating. Company always earned its fixed charges by a substantial margin and at present is paying dividends on the preferred and common stocks.

Manitoba Paper Company Starts Second Machine

MONTREAL. — The Manitoba Paper Company has placed its second machine in operation thus doubling the capacity of the mill at Pine Falls, Manitoba. The total daily rated capacity of the mill is now 250 tons. In future both machines will remain in operation. The addition of the new machine completes the construction programme of the company which is controlled by Spanish River-Abitibi interests. The output of the plant is being sold by the Canadian Newsprint Company.

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

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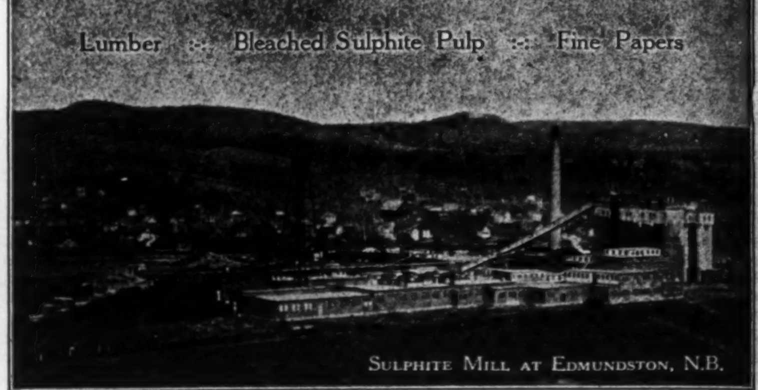

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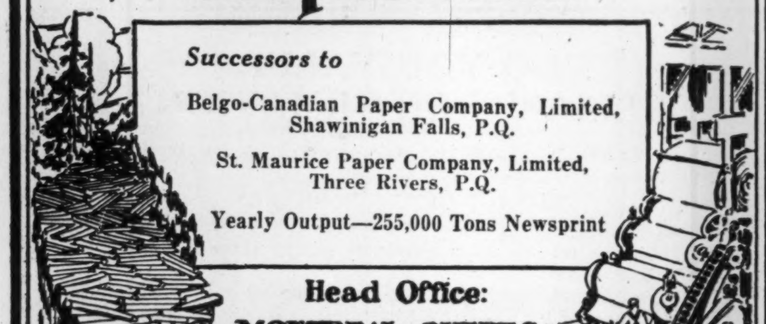

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Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper

Production—720 tons daily.
Mills at
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The new Wabasso Silks are attractive fabrics made from finest Combed Yarns and Celanese. They are as pretty as the Rainbow.
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HOTEL PROMOTERS ASSURE INVESTORS HANDSOME PROFITS

Liberal Allowance Made in Estimated Revenue of Guelph Project

Some rather glowing inducements are held out to investors by the promoters of the Guelph Elmwood Hotel and Park Co., recently incorporated under provincial charter for the purpose of operating a hotel, tourist camp and recreation park on a site of 24 acres in the city of Guelph. The capitalization of the company is $100,000, divided into 1,000 preferred shares of $100 each, 7 per cent. cumulative, and 2,000 common shares of no par value. Two shares of the latter is being offered as a bonus with one share of the former.

The property acquired is known as the Peterson Estate, on which there is an 18-room brick residence. The building will be remodelled, according to present plans, and an addition of fifty rooms made thereto, including the usual features of a hotel, as well as a swimming pool and gymnasium in the basement. Furthermore the grounds will contain tourist camp accommodations, tea gardens, furnished sleeping huts, tennis and badminton courts, bowling greens, garage, and stable with saddle horses and ponies.

Profits Are Large

Subscriptions received from subscribers will not be used until sufficient money is secured to assume completion of proposed developments, according to J. R. Long, vice-president of the company. There is no reason to doubt but that this hotel proposition, if properly managed, has a fair chance of success. But a circular distributed by the company sets forth an elaborate statement on revenue and profit, which shows gross profits from the hotel of $76,690, operating expenses of $46,030, leaving a net profit of $30,600, to which is added $12,000 resulting from revenue of garage, swimming tank and other outdoor features. From the total profits of $42,600 is deducted $6,390 management expenses, leaving a net profit of $36,210, a sum, according to the prospectus, "more than 5 times dividend requirements; providing a surplus sufficient to retire the preference shares within five years, and greatly enhancing the value of the common stock."

On this basis, purchase of the Guelph Elmwood Park preferred stock would be a very attractive investment and as the covering letter to the circular says: "With five preferred shares you will receive ten shares of common. These would—in the sixth year and each succeeding year—earn you from $120 to $180 and these under such earning power would have a market value of some twelve to eighteen hundred dollars." Unfortunately, however in compiling the revenue and profit statement, such items as licenses, income tax, municipal taxes, depreciation, insurance, reserves for bad debts, etc., were apparently not taken into consideration.

Revised Statement Wanted

A revised revenue and profit statement, with these items taken into consideration, would possibly alter the promoters' statement that the preferred shares could be retired out of surplus within five years. In an event, it is only fair that the organizers of this enterprise, which is said to be endorsed by the Guelph Retail Merchants' Association, should point out these facts to prospective investors in order that the company will not be handicapped later on by possible disgruntled shareholders.

E. A. Pierce & Co. Acquire Waghorn, Gwynn Office

E. A. Pierce & Co., one of the largest New York Stock Exchange houses, has acquired the stock brokerage business of Waghorn, Gwynn & Co., at Vancouver, and will commence operations on Aug. 1.

Pierce & Co., who have memberships in all the leading exchanges in the U. S. and Canada, maintain a network of private leased wires, approximating 40 thousand miles in length. Vancouver will be the seventh office on the Pacific Coast and the fourth office in Canada. Other Canadian offices are maintained in Ottawa, Toronto and Hamilton, Ontario.

The firm of Waghorn, Gwynn & Co. will continue in business in Vancouver, operating their local bond, real estate, insurance and local securities depts.

F. J. Pullen, who has been associated with Waghorn, Gwynn & Co., for the past fifteen years, has been designated as manager by E. A. Pierce & Co.

London Writer Sees Attractions in Celanese

Market commentator of the London Stock Exchange Gazette says "that the character of the buying of American and Canadian Celanese shares leads me to expect them to go higher."

Replying to a criticism that "while Canada's population is one-fifth that of the U. K. and one-thirteenth that of the U. S. A., the market capitalization of the Canadian company is about one-half and one-fifth of that of the other two concerns." He says, "As regards Canada's population, I am told that the American company will take all the output that the Canadian Celanese company can produce, and, therefore, the shareholders need not worry about the limitations of the Canadian market."

New Northern Bread Plant Contract Let

Contract has been let for the construction of the new $55,000 plant for the Ideal Bread Company, Toronto.

Plans drawn for architect for Northern Bakeries, who control Ideal Bread, call for the erection of what will be the most modern bakery plant in Canada. Occupying a site 102 feet by 200 feet, the work includes a one-story office and bread room, 70 x 40 feet; one-story drive shed, 66 x 100 feet; and two-story stable, 95 x 50 feet. All buildings will be of brick and steel construction.

Besco Shares at Auction

In a Boston auction sale 80 British Empire Steel common went at 30c. a share and 180 Besco second preferred at 95c. a share.

Ontario Steel Bonus is Again Declared

From Our Own Correspondent.

MONTREAL. — The Ontario Steel Products has declared a bonus of 1 per cent. in addition to the regular quarterly dividend of August 15. This is the third consecutive year in which the company has declared the extra disbursement.

CHASE MEDICINE CO. EARNINGS AFFECTED BY TRADE CHANGES

Association With P.A.T.A. Causes Temporary Loss of Business

Owing to the readjustment in trade channels brought about by the functioning of the Proprietary Articles Trade Association, the past year has been a difficult one in the Canadian medicine business for the A. W. Chase Co., and subsidiary organizations. The company has joined the Association in the belief that it will place the industry on a much sounder basis, but in the knowledge that the immediate effect would probably result in a loss of business through certain important channels of trade.

Results of the fiscal year ended April 30, 1927, bear out this assumption. In that period profits amounted to $83,370. as compared with $96,262 in the preceding year. From this amount there was deducted $75,655 for the regular 8 per cent. preference dividend and $9,286,35 for taxes and sundry surplus adjustments. After these deductions there remained a deficit of $1,571, which brought the surplus down to $47,179.

The consolidated balance sheet disclosed current assets of $180,348, against current liabilities of $33,774, leaving net working capital of $146,574. Among other assets is an item of $103,321 for advertising space under contract and $16,869 for deferred charges to future operations.

The A. W. Chase Co. subsidiaries are making good progress. The rock candy and syrup business of Dryden and Palmer, in the United States, acquired in the late summer of last year, has come up to expectations. Early this year, a 75 per cent. interest was acquired in the Renzyme Laboratories, whose chief product Renzyme rounds out the Dr. Chase line of products. A new mouth wash was put on the market, and demand to date has been very satisfactory.

The capitalization of the company is now composed of 10,000 shares of 8 per cent. cumulative preference stock of $100 par value authorized, of which 9.978 have been issued. Common stock to the amount of 40,000 shares of no par value has been authorized and issued.

Plan 300-Room Annex To Ellis Park Apts.

A three-hundred room annex for Ellis Park apartments, Toronto, is proposed.

Ellis Park apartments was financed by sale of a real estate bond issue.

AEROCRETE NOW BEING MARKETED BY NEW PLANT

Aerocrete Montreal, Ltd., Enters Production—Gets Large Order

From Our Own Correspondent.

MONTREAL.—The opening of the plant of Aerocrete Montreal, Ltd., is of interest not only to the shareholders of the company but also to business men who are interested in the cement, gypsum, tile or associated industries, for in the future it looks as if aerocrete would play a larger and larger part in the construction industry.

The Montreal plant of Aerocrete Montreal, Ltd., has just entered production and one of the first contracts closed by the company consisted of sales of areocrete to the Royal Bank for use as a floor fill in the new head office building of the bank in Montreal. Contracts have also been secured for several smaller jobs.

Inception of Company

The plant is at present confining its output to aerocrete partition slabs, but further lines will be added in the near future.

The larger contracts which the company closes, such as that with the Royal Bank of Canada, will not necessarily result in an increase in the output of the plant, for in the Royal Bank job the company simply supplies the experts to assure that a proper mix is obtained on the job. Aerocrete Montreal, Ltd., obtains its profit from such work by a royalty, and by supplying the salts necessary to produce aerocrete.

About a year and a half ago, a group of Montrealers, together with the Swedish interests which hold the patents on aerocrete, formed the Aerocrete Corporation of Canada. Aerocrete is a porous cement made up of the some materials as ordinary concrete. However, 70 per cent. of its volume is made of small, evenly distributed cells, which give the material a structure resembling a honeycomb. The introduction of these cells gives the material certain important characteristics.

Characteristics of Aerocrete

Aerocrete is about one-third as heavy as concrete, it is a non-conductor of sound and heat, and it has a sufficiently high compressive strength to satisfy the requirements of builders. Coupled with this it combines the characteristics of concrete.

The finished product is manufactured at the plant by mixing concrete in the ordinary way in a machine mixer, and adding a small proportion of aerocrete salts. The wet mixture is placed in forms, and by the effervescent action of the salts, almost doubles its volume in a period of 24 hours. The action of the salts on the concrete is comparable to the action of yeast when placed in bread dough.

Aerocrete Montreal, tLd., holds the patent rights for the province of Quebec from the Aerocrete Corporation of Canada. The latter is purely a holding company. Aerocrete Montreal, Ltd., has been financed entirely in the city of Montreal. There was no stock selling campaign, and while there are a number of shareholders in the company, the stock was sold privately.

The outstanding capitalization of the operating company is as follows:

Shares	Authorized	Outstanding
7% pfd.	$50,000	$25,000
Com., no par value	10,00 shs.	3,333 shs.

The preferred shares were sold at par and 2,500 common shares were sold at $10 per share. The remaining 25 per cent. of the outstanding common stock was taken up by the holding company in exchange for the patent rights. Aerocrete Montreal, Ltd., the subsidiary and operating company, has entered into an agrgeement with the holding company that 25 per cent. of the outstanding common will always be allotted to the parent company in exchange for the rights to manufacture aerocrete in the province of Quebec.

Has Sister Companies

The sister companies of Aerocrete Montreal, operating in England and Sweden, have made tremendous strides and therefore it can be anticipated that Aerocrete, Montreal, will undertake further financing to provide for expansion. Ultimately a public offering might be made.

The stock in the company is all privately held by well-known Montrealers, and the officers and directors of Aerocrete Montreal are as follows: H. H. Vaughan, president, W. F. Drysdale, vice-president, Arthur Gafftey, managing director, and E. R. Pease, O. H. Linton, L. Macfarlane and Kenneth Dawes, directors.

Bell Telephone at Windsor

The Bell Telephone Co. is building a large garage and stores building in Windsor, Ont, at an approximate cost of $52,000.

Capital: $1,000,000
Reserve: 350,000

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YEAR after year—day in and day out—Ross engineers devote all their study and time to just one branch of heating and ventilating—that for pulp and paper mills exclusively. No other organization has had such intensive experience.

Through the extensive facilities and resources of our organization, these same engineers who plan with you the system you need, also personally supervise every step in the production of your equipment—drawings, specifications, building and installation.

There is no delegating of outside interests to fulfil any of your requirements with consequent loss of time and additional expense. Our single control of every step in producing your equipment effects economies that are reflected in your costs. The finished job is right—in every way.

No pulp or paper mill heating and ventilating job is too large or too small to be handled more advantageously and economically with our knowledge, experience and facilities.

There is no obligation incurred by you in discussing your requirements—large or small—with our engineers.

ROSS ENGINEERING OF CANADA, LIMITED

New Birks Bldg.—Montreal

ROSS SYSTEMS

HEATING—VENTILATING—DRYING

Public Utilities

Consumers Gas Can Now Go on With Much Needed Extensions

Development Program Was Delayed in Litigation

TALK EXPROPRIATION

Latest Move of Politicians is to Threaten That City Will Buy Out the Whole Enterprise

Consumers Gas Company having won in the Privy Council a victory from a group of public-utility baiters in the Toronto City Council, further attempts to tamper with the company's premium reserve fund are halted.

Victory for the company is regarded in business and financial circles as victory also for the gas consumers of Toronto. Had the city of Toronto won its appeal to have the stock premium fund applied to the reduction of rates there would have been no inducement to the company to sell new stock at a premium and the directors might conceivably have decided to sell shares at nearer to par, which would have had the effect of increasing the cost of gas in future years. As it is, the company is now upheld in its business-like procedure of raising new capital by selling stock to shareholders at approximately the current market price for its shares and is therefore assured that new capital will not cost it over the prevailing money rate. As the company has only one class of securities and these receive a fixed dividend that cannot be increased the ultimate beneficiaries are the users of gas, who are therefore assured of service at cost.

Try Now For Public Ownership

Next move of the public utility baiters will probably be an attempt to have the property expropriated by the city of Toronto. They are already talking of this, although the next civic election is yet six months off and the votes to be won by the constant and expensive attacks on the company are yet distant.

No one in the financial community is at all worried about the possibility of the company being taken over by the city of Toronto. Even should the citizens approve such a foolhardy measure it is felt that the legislature of Ontario, having regard to the nigh debt of the city, would disapprove the scheme.

No Need to Worry Anyway

Nor is there any reason for investors to worry, even were the property to be bought by the city. The terms of sale would have to be fixed by arbitration. Arbitrators would take into consideration the replacement value of the company's plant and this would be sufficient to return to shareholders a price considerably in advance of the present market value of their shares. Purchase of the property could only lead to a handsome profit for shareholders.

Eventually though, it is felt that reasoning public opinion will turn against the group of aldermen who are trying to turn the company into a political saddle for themselves and in favor of the company, which is giving the city of Toronto excellent treatment on a service at cost franchise that has few peers.

Real Service at Cost

Some people may question if the phrase, service at cost, is fairly used in the case of a company that pays a dividend of ten per cent. Doubt on this point can only arise when there is failure to realize that the average rate of return on money actually invested in Consumers Gas Company by investors is not ten per cent. but slightly over six per cent. Few people are living to-day who ever bought Consumers Gas stock at 100 and were thus able to earn ten per cent. out of giving gas service to the citizens of Toronto. These people are the ones who took the risk of losing all of their investment. The average price at which stock has been sold has been in the neighborhood of 150. There are shares of Consumers Gas stock outstanding that netted the company $210 a share and on which the company is, therefore, returning the investors less than a 5 per cent. return, less, for instance, than it would have to pay for money borrowed by way of bond issue.

It is a fact that the average return on capital invested in Consumers Gas Company is less than the ordinary business pays for money borrowed from the banks.

Dividends Are Really Interest

Dividends paid by Consumers Gas Company, because of their small proportion to capital invested and their fixed nature, are more in the nature of interest and a definite part of the costs of operation of the company.

Decision of the privy council this week was based upon an appeal of the City of Toronto from decisions in the Canadian courts which had upheld, on appeal, the plea of the company that it would be allowed to use the premium received on capital stock for extensions; in short to be allowed to regard the whole amount received, when a share of stock is sold, as capital. The city took the impossible stand that the premium should go into a fund for the reduction of rates.

Privy Council dismissed the city's application.

Can Now Make Extensions

Immediate effect of the decision will be to enable the Consumers Gas Company to go ahead with needed extensions, particularly in Toronto's suburbs, that were held up pending the adjudication of the present case. While this naturally will hasten the day when new stock will have to be offered to shareholders it is said that no new issue is at present contemplated.

Company seems to have abandoned the policy of calling for tenders for new shares as this did not prove as satisfactory as the present system of allotting stock to shareholders at a fixed price, usually a few points under the current market. These stock rights have a certain value to shareholders that adds something to the return.

Southern Canada Power Serves 93 Towns Now

MONTREAL.—The Southern Canada Powerp Company has connected to its lines 85 towns in all at the present time, but eight other municipalities have granted franchises to the company and are about to be connected. Shortly then, the total number of municipalities served by the company will number 93.

During the last 36 months, over 30 towns have been added to the list of municipalities which the company serves. These extensions have meant an addition of well over 3,000 domestic customers, 1,146 street lights and numerous power customers.

OTTAWA ELECTRIC PACT RENEWAL HAS ENCOUNTERED SNAG

Company Wants Increased Fare; City Expects Concessions

Extension of the agreement for another five years between the city and the Ottawa Electric Railway Co., which expires in August next year, is now a matter of controversy between the two parties, but it is expected that some amicable arrangements will be made before very long and that the interests of the shareholders will not be jeopardized.

Back in 1923 the city called into consultation Robert M. Feustel, a Chicago traffic expert, to make a thorough investigation of the Ottawa street railway problem. In his report to the Council, Mr. Fuestel recomended a number of extensions to existing lines, opening up new districts, and also prepared an estimate of earnings in the years immediately ahead. The company's franchise was extended upon the understanding that it would carry out the suggested improvements. This was agreed to, although at the time no reference was made to an increase in fares to take care of these extensions, a five cent rate continuing to the present.

Over $2,000,000 Spent

During the past year or two, the Ottawa Electric Railway has spent over $2,000,000 in carrying out its part of the programme. A number of miles of track have been relaid; new car shops built; purchased buses and established several new routes. It is now claimed by the city, however, that proposed improvements are not up to schedule and there is evidently a concerted move to make the company grant further concessions before extending the agreement. The company, on the other hand, claim that they cannot carry out this programme without an increase in fares.

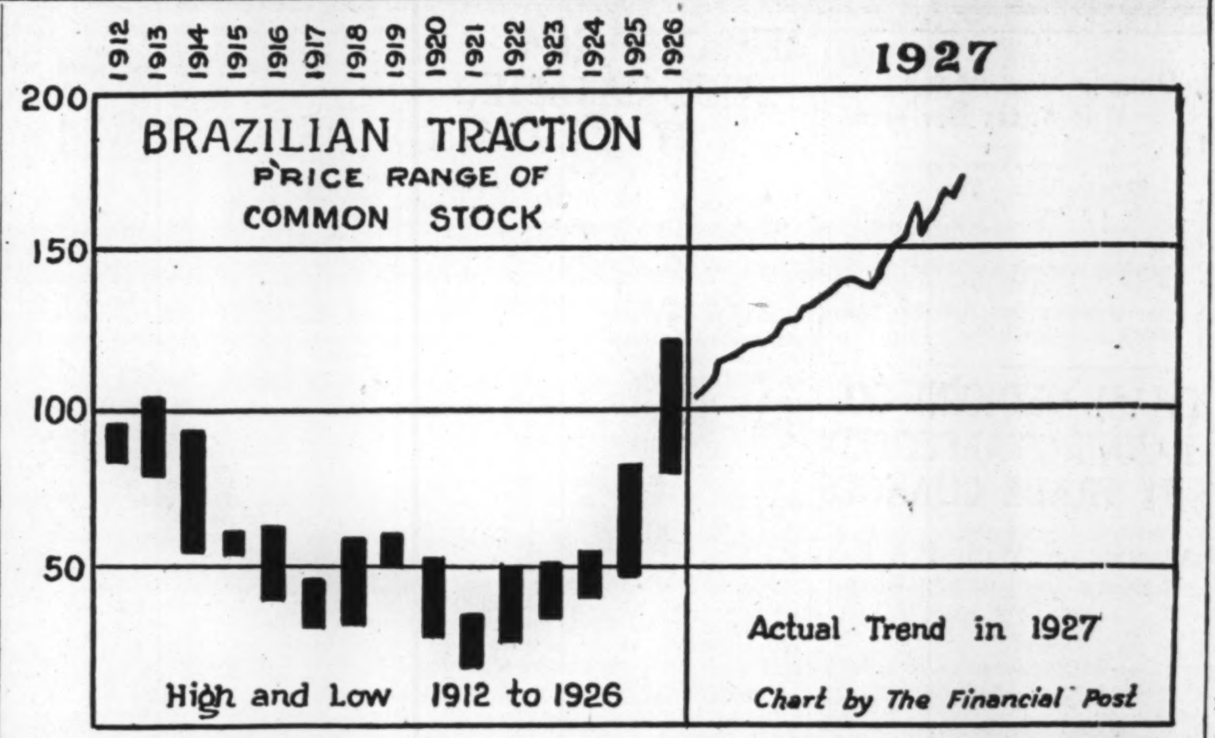
Since 1886 the company has operated continuously and successfully under a five-cent fare. Competent management has enabled the company to pay dividends during the war and its subsequent years, despite the general increase in tram fares throughout North America. This result was obtained only through ploughing back earnings during the fat years, which has allowed the payment of dividends, but the company is now apparently in a position where an increased fare is required to cover all annual charges.

Apply to Board

The profits made in other years, however, have acted as a deterrent to smoothly flowing negotiations. Jurisdiction of fares is a matter outside the control of the city, and any action on that score would have to come before the Board of Railway Commissioners. In 1928 and at the end of any subsequent five year period, the company has the right to submit a new tariff of fares for the next five year period. And it is apparent that no progress will be made in present negotiations, until the company places its application before the commissioners for an increased fare. The action of the board will, in a large measure, have a deciding inuence on the terms of the agreement for the next five years.

Northern Bakeries Stronger

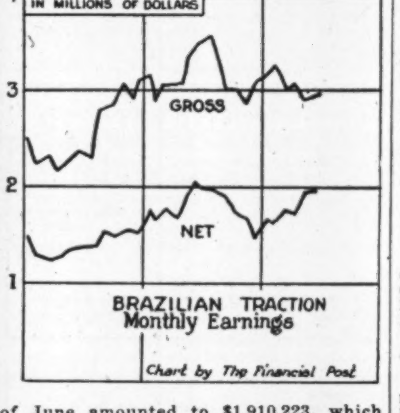
Northern Bakeries has sold up to a new high point for the present movement. Company is understood to be enjoying much better earnings than had been expected when the recent issue of stock was made, as high as $3 being estimated as having been shown after due allowance was made for depreciation.



Brazilian Mounts Despite Reduction in Month's Income

Decline in Brazilian Traction earnings in June was followed by a good market in the stock. The strength was due to official assurances that the drop in the milreis, accounting for the seeming decline in earnings, would be offset before the end of the year by rising revenues.

Net earnings of Brazilian Traction, Light and Power Company for the month



of June amounted to $1,910,223, which compares with $2,037,453 in June of last year, a decrease of $127,230. In this connection it must be borne in mind that the average rate of Brazilian exchange in June of this year was 11.94 cents, as against 15.70 cents in June, 1926.

It will be recalled that at the annual meeting of the company, E. R. Wood, vice-pres., stated that continued increases in volume were beginning to offset unfavorable exchange rates and he predicted that the entire year would show results equal to those of 1926.

At the annual meeting of the company in Toronto, E. R. Wood, vice-president, said: "The transportation problem in the cities of Rio de Janeiro and Sao Paulo, as pointed out in the president's report, still requires much consideration, although we are hopeful that a solution will be found at an early date and the necessary changes authorized to enable us to meet the situation in an adequate manner and provide an up-to-date service. I am glad to say that the situation arising from the operation of jitneys in Rio de Janeiro and Sao Paulo shows improvement owing largely to the policy of the companies in putting into service modern busses of the most improved type in districts where the competition was strongest. We are now putting on the streets in Sao Paulo a modern type of closed car, which has had a very satisfactory reception and is already showing its effect in increased receipts. There will be 70 of these new cars in service before the end of the present year. We are also operating a small fleet of busses in Sao Paulo. In Rio, which I may say is more suitable for busses than Sao Paulo, we are considerably extending our bus operations and at present have an order for early delivery 99 modern type gasoline busses, including 14 double-deckers. This should help us greatly in handling transportation in Rio.

Growth in Power Business

"During the power shortage in Sao Paulo in 1925 we lost a number of power customers, but these have been steadily coming back and the growth of business has been such that we have been showing recently an increase of over 30 per cent. above the same period last year. There is also a very satisfactory increase in power sales in Rio de Janeiro and vicinity, and, as you know, we are now in an exceedingly strong position in connection with power supply at both Rio and Sao Paulo by reason of the splendid new hydro electric plants which have been installed. We now have a supply of power ample to meet all needs for a long time to come, and the problem is one of finding a market for this surplus power. Active steps are being taken to this end, and it is confidently believed that new industries will be attracted and an outlet thus be found for the power now available. Experience has clearly shown that the provision of power at reasonable rates has always stimulated the growth of the communities served, and there is every prospect that this will prove true in the case of Rio de Janeiro and Sao Paulo and the surrounding districts.

Overcoming Exchange Handicap

"I might draw your attention also to the reports of monthly earnings which have so far been published this year. As will have been noticed, we have been showing decreases in some months as compared with last year, and this is not at all surprising when the question of exchange is considered. Last year we averaged 14.61c to the milreis and in June and July of that year the quotations were not far from 16c. This year, in view of the stabilization plan of the Brazilian Government, the milreis has been ruling somewhat under 12c, so that there is a difference in exchange of nearly 3c on the average, which is a very considerable handicap to overcome, and the fact that it has been to a large extent overcome is a splendid indication of the way in which the business is growing. It is to be expected that we shall show decreases for the next two or three months, which, however, we hope to make up in the later months of the year. In other words, our expectation is that for the yearly period the increased earnings due to growth of business will practically offset the very important loss in exchange."

P. Burns' Extension

P. Burns and Company, who about six months ago bought out the business of Gibson and Gage, Winnipeg, including their creamery and abattoir, have started an extension to the plant on Logan Ave. which when completed will cost with equipment $75,000.

Public Utility Earnings

Cape Breton Electric

May—	1927	1926	Increase
Gross earn.	$51,131	$48,797	$2,333
Oper. exp. & taxes	41,160	40,106	1,054
Net earn.	$ 9,970	$ 8,691	$1,279
Int. charges	5,709	5,729	x19
Bal. (for retirement and div.	$ 4,260	$ 2,962	$1,298

x Decrease.

* * *

Brazilian Traction

June	1927 Dollars	1926 Dollars	Decrease Dollars
Gross earn. ..	$ 3,197,650	$ 3,487,237	$289,587
Oper. exp. ..	1,287,427	1,449,784	162,357
Net earn. ..	1,910,223	2,037,453	127,230
Aggre. gross from Jan. 1	18,420,989	19,025,946	604,957
Aggre. net from Jan. 1 ...	10,610,290	10,937,920	327,630

A summary of the earnings record for the past twelve months, together with comparisons, is as follows:

1926	Gross	Net	Net inc.
July	$3,531,663	$1,990,805	$600,016
August	3,476,995	1,982,354	376,063
September	3,412,431	1,911,351	397,063
October	3,200,476	1,782,954	97,211
November	3,001,416	1,659,151	105,113
December	2,953,964	1,456,192	*258,226
1927			
January	2,975,891	1,674,929	*117,359
February	2,876,573	1,614,573	*64,214
March	3,080,055	1,765,482	2,138
April	3,053,071	1,743,614	28,242
May	3,237,839	1,901,469	*49,208
June	3,197,650	1,910,223	*127,230

*Decrease.

* * *

TWIN CITY EARNINGS

2nd quarter—	1927	1926	Per Cent. Inc. or Dec.
Gross rev.	3,208,378	3,378,108	—05.02
Oper. exp.	2,403,178	2,563,903	—06.27
Net Rev.	805,199	814,204	—01.11
Fixed chgs. & taxes	541,847	568,565	—04.70
Net income ...	263,352	245,639	+07.21

6 Months—	1927	1926	Per Cent. Inc. or Dec.
Gross rev.	6,874,277	7,217,211	—04.75
Oper. exp.	5,011,567	5,358,658	—06.48
Net Rev.	1,862,709	1,858,552	+00.22
Fixed charges ..	1,118,314	1,164,553	—03.97
Net income	744,395	693,999	+07.26

Gatineau Power Company's Power Production Larger

From Our Own Correspondent.

MONTREAL.—The second unit of the Gatineau Power Company's Farmers power house has been placed in operation and is supplying power to the Gatineau newsprint mill of International Paper Company. Thus, at the present time, the Gatineau Power is supplying energy from three units at the Chelsea power house and two units at the Farmers power house.

The Farmers plant has been brought up to 50 per cent. of its initial capacity. The initial installation at the plant will consist of four 23,125 horsepower units, with provision for a further installation of a fifth unit in the plant.

The operation of three units at Chelsea brings that plant up to 75 per cent. of its initial capacity. There will be initially installed at Chelsea four 32,750 horsepower generating units, and the power house has been designed to permit the installation of a fifth unit at a future date.

As the company's Kipawa plant has been brought up to its full capacity of 24,000 horsepower, the further development programme of the company calls only for the erection of the 150,000 horsepower plant at Paugan, and the installation of a further unit at Chelsea and at Farmers.

Bell Telephone Tolls Increased This Year

From Our Own Correspondent.

MONTREAL.—As a result of the generally improved business conditions during the first half of the current year, the Bell Telephone Company's revenues from long distance tolls show a very satisfactory increase over the first and second halves of the 1926 year. In addition, it is understood that the demand for new telephones this year is in excess of the number anticipated at the close of 1926.

The present strength in the shares is due to these factors, coupled with the increased earnings which have been experienced as a result of the improved tariff under which the railway board allowed the company to operate.

Active work on the site of the company's new head office building here has begun. Originally it was intended to erect a building higher than any other in Montreal, but in the meantime the city council is considering enforcing a by-law which provides for a maximum height for office buildings of ten stories. The new head office building of the Royal Bank of Canada in Montreal is higher than this, but the actual floor space in the new Royal Bank building is no larger than if the building had been erected to a full height of ten stories. The floor space of the building decreases with the height.

Of course, another reason for the strength in the shares of the company lies in the fact that the recent bond financing will hardly provide for more than current financial needs. Thus an issue of valuable rights to the shareholders is anticipated before many moons. However, it may well be that such new stock rights will not be made available until the beginning of 1928.

The Results Might Surprise You

INVESTMENT bankers and stock brokers circularize extensive lists of prospects, offering to pay Long Distance charges on orders telephoned to them. Investment bankers and stock brokers have been among the quickest to recognize the unique value of this method of securing orders. Do you circularize prospects, offering to pay Long Distance charges on orders? If not, the results might surprise you. Long Distance is now almost as speedy as local telephoning.

THE BELL TELEPHONE CO. OF CANADA

INTERNATIONAL PAPER COMPANY

Cumulative 7% Preferred Stock

Five Distinct Sources of Income

AN OUTSTANDING FACTOR IN TWO BASIC INDUSTRIES

The activities of International Paper Company comprise two basic industries—the manufacture of paper and the production of hydro-electric power. In both these fields it occupies a strategic position. It is not only the largest paper company in the world, but is a dominant factor in other important branches of the industry, namely the newsprint, kraft and sulphite pulp fields.

Its enormous developed and undeveloped water powers constitute one of the largest power holdings of any one group in North America. The extensive development of these properties, now well under way, will provide additional earning power of great importance.

Through its extensive and carefully worked out development program, the International Paper Company has entrenched the dominant position it holds in the paper industry and greatly developed its power resources. Upon completion of present projects, International Paper Company will comprise one of the best balanced and coordinated paper manufacturing and power enterprises in the world.

We consider the Cumulative 7% Preferred Stock of the International Paper Company a sound investment giving an exceptionally attractive interest return

Price to yield over 7%

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INVESTMENT BANKERS

CANADA LIFE BUILDING

189 St. James Street, Montreal

TOURIST TRAFFIC BRINGS MILLIONS IN CASH TO COAST

Number of Tourists Equals Half B. C.'s Permanent Population

From Our Own Correspondent.

VANCOUVER.—This town is jammed and two Toronto business men arriving here this week took two hours to find a room with two beds and a bath.

The tourist business in British Columbia, as a result of carefully planned advertising campaigns and the co-operation of transportation companies, has established a million-dollar industry and given the province a new source of ready money.

Last year 272,303 persons crossed the border into Canada from the United States as tourists and it is expected, judging from results so far this season, that the number will exceed 300,000 this year. In other words, the number of tourists to be received in British Columbia this year will be approximately half the total permanent population.

Advertising Brings Results

What this means in cash returns is difficult to estimate, but the spending power of this annual influx of people has been figured variously at from $5,000,000 to $20,000,000. The cities of British Columbia spend approximately $75,000 in advertising for tourists, so the outlay is returned manifold.

A new development of the Pacific Northwest tourist business is the effort to swing the tourist stream from California northward across the international border into British Columbia. Several agencies financed by B. C. as well as Washington and Oregon subscriptions have been making big inroads on this California movement. Washington and Oregon are glad to include British Columbia in their programme because, apart from all other reasons, every American tourist who enters British Columbia from one of the western states usually returns by the same route, so that the states get their money going and coming.

Build Résort Hotels

Vancouver and Victoria hotels and resort places are crowded this summer as never before and the last two years have witnessed the building of several big resort hotels on mountains and along lake shores that would never have been attempted a few years before. Opening of the new provincial highway has resulted in spreading prosperity from the tourist traffic to the interior districts. This year it is possible for the first time for motrists to drive as far north as Hazelton and to the eastern borders of the province.

FOREIGN EXCHANGES

Canada Transfers Gold to New York

Weakness in the Canadian exchange has resulted in the movement of gold from Montreal to New York. This brings the total gold transfers from last December up to $46,000,000. At the same time $6,000,000 has been returned to Canada, so that the net gain of the United States is $40,000,000. Demand for Canadian funds this summer has been singularly weak, largely owing to the fact that demand from abroad to pay for Canadian wheat has not begun as early as was expected. Moreover, there has been a smaller amount of financing in the New York market. But, in view of the large amount of Federal refunding to be undertaken this fall, and as soon as wheat exports and payment therefor begin in volume, the rate on Canadian funds is expected to stiffen up.

Sterling cables showed a tendency to weakness. A few small cotton and grain sterling bills appeared during the week, but the usual heavy flow of such bills has not yet begun. Such offerings are expected within the next few weeks. Occasional interest was shown in Spanish pesetas on speculative liquidation by holders. Roumanian lei rallied, but the rate is so closely controlled, and, in view of the uncertain political situation in that country the movement was taken to indicate an effort to maintain stability.

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last Year High (Discount)	Last Year Low (Discount)
July 21	11-64	5-32	5-32	5-32
July 22	11-64	11-64	5-32	5-32
July 23	11-64	5-32	5-32	5-32
July 25	5-32	1-8	5-32	5-32
July 26	1-8	3-32	5-32	11-64
July 27	7-64	3-32	11-64	11-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
July 21	4.85 5/16	3.91⅝	5.43½
July 22	4.85⅛	3.91¼	5.42½
July 23	4.85⅛	3.91¼	5.45¼
July 25	4.85⅛	3.90⅞	5.42¾
July 26	4.85 3/16	3.91 1/16	5.43½
July 27	4.85¼	3.91⅛	5.43

FOREIGN EXCHANGE

Par		July 20	July 27
13.90	Italian	5.44½	5.44½
82.45	Brazilian	11.85	11.85
23.82	German	23.81	23.81
19.30	Belgian	13.93	13.91
84.85	Japan	46.75	47.05

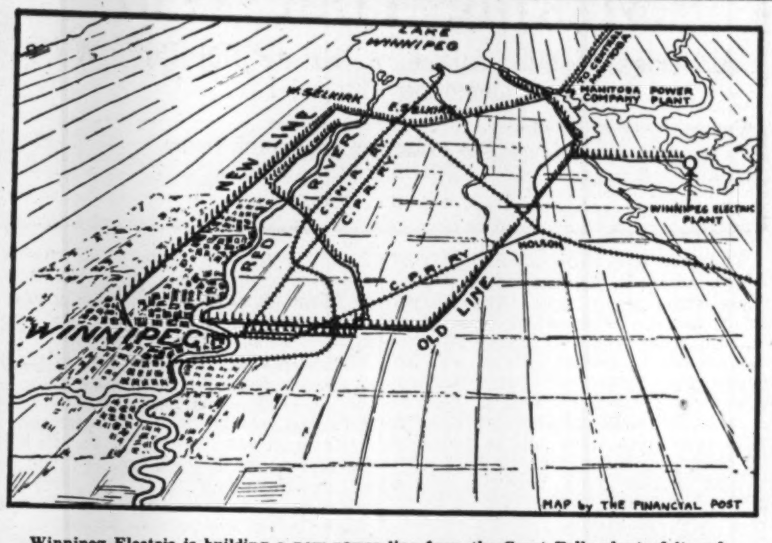
Davies Exchange of Shares Is Progressing Satisfactorily

Results from the plan for exchanging the shares of William Davies Co., Inc., are very encouraging and are said to indicate that the shareholders are favorable to the proposal. Already a majority of "A" shares have been lodged with the trustee.

The plan provides for the exchange of shares on a fixed basis, of William Davies Co., Inc., for shares in the new Canadian Packers, Limited, a company which has been organized to take over the Harris Abattoir Co., Ltd., Gunns, Ltd., the Canadian Packing Co., Ltd., and William Davies Co., Inc.

Shareholders who wish to make the exchange are required to do so before August 15th, as no provision has been made by the company for the exchange of stock after that date.

Winnipeg Electric's New Power Line



Winnipeg Electric is building a new power line from the Great Falls plant of its subsidiary, Manitoba Power Company, to Winnipeg. The old and new power lines, the former built to bring power from the Pinawa plant of Winnipeg Electric, are shown.

Spillers Will Begin Calgary Milling Soon

By Staff Editor.

CALGARY. — Spillers Canadian Milling Co., will begin to operate the Calgary mill formerly owned by Alberta Flour Mills, Ltd., within four or five weks. The finishing touches are now being put on the mill and elevator. The property is expected to be one of the most efficient of its kind.

Spillers, the British milling firm with more than a century of background, acquired the site and plans from Alberta Flour Mills shortly after construction was begun. The 800 shareholders in the local company got for their interest $1,250,000 of second preference stock of the par value of $5. English shareholders own common stock of $5 par value to the amount of $1,750,000.

Second Is Really First

Although the Alberta Flour Mills have what is designated as the second preference stock, therc is no first preference, the agreement of sale stipulating that there be either bonds or first preferred. The bonds, to the amount of $2,000,000 and which bear 6 per cent. interest, are all held by the parent English company.

Directors of the company are: Alexander Hannah, president; D. E. Treharne, manager; S. K. Pearce, secretary; Walter Allen, London; A. E. Cross and William Pearce, Calgary, and J. E. Hale, Vancouver.

Can Make 2,000 Barrels Daily

The capacity of the elevator is 5,000,000 bushels. The present capacity of the mill is 2,000 barrels daily, but the buildings are planned so that the existing equipment can be doubled without structural additions. The machinery is asserted to be the most modern available.

Although the company intends to seek an export trade, the initial output, it is expected, will be distributed in the pairie provinces.

U. S. COURTS DECLARE CANADA IS "ABROAD"

And So Canadian Merchants Revert to Former Satisfactory "Status Quo"

Merchants in Canadian cities that draw American tourists stand to benefit from a reversal of the recent U. S. treasury ruling that threatened to rob Canada of much business from transient guests.

The ruling of the Treasury Department that Canada was not "abroad" in the granting to returning residents of the United States free admission of $100 worth of purchases was reversed last week by the United States Customs Court at New York.

The decision came in an action instituted by H. Ely Goldsmith, a consultant on immigration matters. A table cloth bought in Canada for $10.75 had been taxed 40 per cent. at Ogdensburg. Objection to the assessment was made on the ground that the cloth should be free of duty because it was imported by a resident of the United States for his personal use and not bought on commission or intended for sale.

The case came before Justices Waite, Adamson and Young. The decision of Justices Adamson and Young says that it was shown that the plaintiff made frequent visits to Canada on business and that as a rule he brought back with him no merchandise, that the purchase of the tablecloth was only an incident of a trip.

In a dissenting opinion Justice Waite said that the decision of his colleagues was based largely if not solely upon the question of the purpose of the plaintiff's visit and that:

"We have only to call attention to the conditions along the border to show the unfeasible nature of this holding, which would permit residents of Detroit, Port Huron, Buffalo and other communities along the border of Canada to support their families and bring all of their supplies into the United States free of duty. I base my dissent mainly upon the letter of the statue, which is that citizens returning from abroad may bring in $100 worth of certain kinds of merchandise free of duty, believing as I do that the word 'abroad' was not intended by the lawmakers to embrace contiguous territory."

Mr. Goldsmith said much irritation had been caused by the treatment of Americans returning home from Canada with souvenirs and household articles. Canadian merchants who depend to a great extent upon the tourist trade protested that their business had been injured by the ruling.

He said that he did not believe that the border population buys large supplies in Canada to bring in free of duty. Most of the pressure brought upon the Customs authorities to make the ruling which was reversed by the Customs Court, he said, was due to American merchants who handle chinaware. He said they protested that their business suffered from Canadian purchases by the American border population. He declared that was no reason for depriving all Americans of the privilege accorded them under the Tariff law.

Saskatchewan Reports Strong Growth of all Grains

From Our Own Correspondent.

Regina — Favorable weather over the Provinces as a whole, has resulted in strong growth of all grains, according to telegraphic reports received by the Saskatchewan Department of Agriculture. Wheat, although later than last year, is reported in healthy condition with a generally even stand. Aided by the hot weather of the past week about 70 per cent. is now headed out. Coarse grains are also in good condition, with oats coming into head. Slight traces of rust have appeared in the south and eastern part of the province, being most noticeable along the line from Verwood East to Weyburn and from there north to Vibank. Hail caused damage to small areas at scattered points throughout the north and north-western part of the Province.

Severe damage was sustained as a result of a storm originating west of Swift Current, which travelled in a south easterly direction and caused serious injury in the Vanguard, Kincaid and Lafleche districts. This storm decreased in intensity, continued through Bengough and Radville. Hail was also reported south-west of Avonlea through Truax and Ogema.

Summer fallowing is about 90 per cent. completed. Pastures are in good condition with a plentiful supply of moisture.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft Erie Bdge 7s '55	106	108
Do., 8s '45	106	107½
Buff Gen Elec 1st 5s '39	103½	...
Bfo N & E Pow 5s, '30	102	104
Lockport L H & P 5½ '54	102¾	103¾
N F 1st & Com. 6s 1950	105	106
Niag. Lock & Ont pf.	113½	115
Niagara Falls Pw. pf.	28	28¾

£

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A Decalogue for Utility Investments

In judging investment values the average man should get down to practical tests, and omit the many academic generalities that are bandied about in "smart" investment patter. Although they have very definite limitations, rules of thumb can be made valuable because they often point out the chief factors to be considered in analyzing securities. Here are ten suggested for public utilities.

1. Bonded debt should not exceed 80 per cent. of the value of the property, nor should it be greater than five times gross earnings.
2. Gross and net earnings should show a satisfactory increase for a period of years.
3. Net earnings should be at least 1¾ times interest charges—2 or 2½ times is better.
4. Franchises should run beyond the life of the bonds.
5. The company should be free from competition.
6. It should serve a prosperous and growing community.
7. For gas and electric light and power companies, a fair balance between industrial and domestic customers is desirable.
8. A well-managed company having its public's good-will carries a very valuable asset.
9. The company should number a good proportion of its customers among its stockholders.
10. The company's financial structure should be such as to permit the financing of expansion under favorable terms.

These tests are not all-inclusive, and a bond is not necessarily unsafe because it does not measure up to all of them. It is utterly impossible to give tests which will determine accurately and in every case the soundness of any class of investment securities. These few, however, will suggest some of the considerations in judging value.

WESTERN WOOL CROP GREATLY IMPROVED

Quality Superior to That of 1926; Industry is Growing

The wool clip this year is much superior to that of 1926, largely from the standpoint of shrinkage, cleanliness and brightness, reports W. H. J. Tisdale, of the Canadian Co-operative Wool Growers Association, who has just returned from a trip to the Western provinces. Of course there will be some dirty wool from those sections which were particularly hard hit by unfavorable spring weather, but on the whole, the clip is above average. In fact, there has been a steady improvement in the Western wool clip in the past ten years, chiefly because of more care in breeding and feeding.

Ewes are not being kept until they become old and the fleece poor. Purebred Rambouillet rams by the carload have been imported to increase length and fineness of wool and more shelter has been provided for lambing quarters. In the latter connection, however, Mr. Tisdale was strongly of the opinion that more work could be done yet. This spring, he points out, lamb losses were abnormally high, due, of course, to the prolonged cold, rainy weather. The crop will not average above 60 per cent. compared with the usual average of about 90 per cent. "The lamb losses this spring," he stated, "would have paid for permanent shelter on all sheep ranches." However, it has been a survival of the fittest as the lambs this year are a fine growthy lot, pasture has been excellent and they will go to market early and in fine shape.

The general situation in the sheep raising industry in the West is very satisfactory and good progress is being made. "I was particularly impressed with the growth of the industry in Southern Alberta and British Columbia," said Mr. Tisdale. "This applies to both the range and farm flocks. The interior of British Columbia is beginning to attract sheep men from both sides of the line. Cheaper lands and better pastures are the reason. I ran across one firm at Kamloops which trailed in 3,500 sheep from Oregon during the fall of 1925. There is also a big expansion in the so-called dry areas of Southern Alberta. This hilly land, covered with abandoned homesteads, will never be fit for general farming, but it is great grazing country for sheep."

Toronto Stock Exchange Reaches 75th Brithday

Toronto Stock Exchange this week celebrated its 75th birthday. It was organized July 26, 1852.

At first there were 24 members and the exchange occupied various offices until in 1912 the present site on Bay Street was acquired and a building erected at a total cost of over $150,000.

At the time of organization of the exchange joint stock companies were practically unknown and trading was restricted to the shares of banks, mortgage and loan companies and railroads. The greater number of the securities listed in those days have disappeared from the list. To-day there are approximately 300 securities listed on the Toronto stock exchange and daily sales run into many thousands of shares. About every industry is represented by one or more security. Now alterations are taking place to double the board space and increase trading facilities to keep pace with the increased business. A separate part of the floor is being set aside for transactions in unlisted securities.

Proof of the growth and success of the Toronto Stock Exchange is to be found in the price commanded by seats. In 1852 there was no charge, in 1872 a fee of $5 was charged, while to-day the approximate price of a seat runs close to $40,000, and there are more buyers than sellers.

Since the exchange came into existence it has had thirty-seven presidents. At the outset some of them filled the position for three years, but for the past quarter of a century it has been the practice to give each successive incumbent of the office tenure for two years.

IMPERIAL OIL HAS 9 WELLS IN VALLEY

Not Going to Build Pipe Line to Calgary, Says Vice-President McQueen

A. M. McQueen, vice-president of Imperial Oil, gives a denial to the report that the company would build a pipe line from Turner Valley oil field to Calgary.

Imperial Oil has extensive development under way in Alberta. At the present moment the company has nine wells drilled or about to be drilled in Turner Valley. What extensions may be made to the program already approved will depend entirely upon the results secured from further work on Dalhousie No. 5. This well, when it was first brought in a few weeks ago, provided quite a sensation. The company had been looking for a duplication of Royalite No. 4, which gave a substantial flow of high grade naphtha; instead there developed a run of good crude oil, which was scarcely less satisfactory to the management.

Dalhousie No. 5, which came in at a depth of 4,530-feet, gave a run of 42 gravity crude in the top of the Fernie shale. While much higher estimates have been heard in unofficial quarters, it may be said that the well was flowing at the rate of 150 barrels a day at the time it came in. There are about 500 feet of open hole in which cavings have occurred, and 6¼ casings are being installed from this point to the bottom. When this work has been completed, the well is to be deepened and production tests made, so that, in the course of two or three weeks, it will be known conclusively just what the well will do.

The Home Oil Company, which is controlled by Vancouver interests, whose property is situated 1½ miles south of the Dalhousie, has brought in a well in many respects similar to that of its neighbor and at the same depth. From it 50 barrels per day of crude oil are being secured.

QUEBEC DAIRIES LIMITED

Preference Stock Dividend No. 1.

Notice is hereby given that a dividend of $1.75 (one dollar seventy-five cents) per share for the quarter ending 1st August, 1927, has been declared upon the First Preference Stock of the Company, payable the 1st day of August to shareholders of record of Tuesday, the twenty-sixth day of July, 1927, by order of the board.

AUGUSTE TRUDEL,
President and Managing-Director.

Dated at Montreal this twenty-fifth day of July, 1927.

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The Financial Post's Mining Editor, D. E. Cushing, has personally visited every mining camp in British Columbia, Alberta, Manitoba, Ontario and Quebec, since volume one was produced, and is in a position to give a picture of the many recent developments.

The 1926 issue of the Survey of Mines met with such a hearty demand that it was sold out, 8,000 copies, within a very few weeks of its publication. This 1927 issue will undoubtedly meet with an even more hearty reception, so that it is advisable to order in advance.

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TORONTO, JULY 29, 1927

A BIG JOB TO DO

THE King Cabinet has done excellent work for Canada in the past year in two directions. The power for good that can be wielded by a forceful and able cabinet minister has been doubly demonstrated in the forward accomplishments of Hon. James Malcolm, Minister of Trade and Commerce, and Hon. W. D. Euler, Minister of National Revenue, just as it had been earlier demonstrated in the capable administration of Hon. James A. Robb, Minister of Finance.

The serious disappointment in the Cabinet has been provided by the failure of Hon. Robert Forke, Minister of Immigration, to attack the problem of immigration with the power and courage displayed by his colleagues just mentioned. Mr. Forke, when he came into office, promised to survey the situation and see what ought to be done. Apparently he is still surveying the situation while his reactionary departmental assistants have been throwing further boulders athwart the track of immigration progress. His one definite advance, the extension of assistance to boy farmers, was merely a .22 rifle shot fired at the walls of inertia and indifference that prevent advance towards our immigration goal.

Mr. Forke is coming back from England. We are unlikely to get any definite promise of action from him on his return for English reports are to the effect that his tour turned out to be merely a friendly visit.

Mr. Forke has the ability to make a success of immigration. He has a rare opportunity now to show if he has the courage.

OVER-SUBSCRIBED

WHAT does the average investor think that a bond house means when it refers to an issue as "heavily oversubscribed," or "completely sold"? There can be little doubt; he thinks that the bonds have been entirely placed with investors like himself. He may be somewhat bewildered when, a few days after reading an announcement that a certain issue has been over-subscribed, he is approached by a bond salesman to purchase some of the issue. He will be even more bewildered if he finds, in a short time, that the issue is selling at below the offering price. Certainly it does not appear to be natural for bonds to be placed in the strong-boxes of investors, with other investors anxious to buy (as the phrase "over-subscription" suggests), and yet to have a price decline take place in open market trading.

In many cases an issue is labelled as over-subscribed or sold out when in reality all that has happened is that bond dealers other than the originating house, have bought or oversubscribed for large blocks enough to take up the entire issue. But these bonds must still be sold to investors. They have merely moved from the wholesaler's warehouse to the retailer's shelves, and it may take long and arduous salesmanship to have them finally tucked away in strong boxes.

Canada has only a few large investment houses negotiating large new issues and selling them through smaller firms all over Canada. For this reason the questionable use of the "over-subscription" announcement in the case of new issues that have not actually been over-subscribed by the public, is much less an evil in Canada than in the United States where Wall Street is the wholesale district of American investment. The Wall Street Journal takes some of the larger houses to task for misleading the public. It says:

"An offering of new bonds in any quantity is followed by the announcement, on the day of issue, that 'the bonds have been sold and the subscription books closed.' Not infrequently this is emphasized by the statement that the issue has been 'heavily oversubscribed.' If this meant that the bonds had been taken directly by the investor of moderate means, the announcement would be gratifying. When it only means that the dealers have taken up their portions of the issue, the outsider is warranted in asking if plain English means one thing in Wall Street and another elsewhere."

When investors see an announcement that an issue has been entirely subscribed, or over-subscribed, they should ask if the bond house means exactly the same thing they take from the announcement.

One or two recent incidents have occurred to indicate that even an actual over-subscription of an issue by the public may not signify much but a second danger.

In one issue, subscriptions were received to an amount equivalent to eleven times the amount available. It was quite apparent that many people would not be able to get any of the new issue, and that they would have to buy in the open market, bidding up the price to get what they wanted. Before the allotments were made the price had advanced, and on the day the new security made its appearance in trading the price jumped nearly ten points above what investors had paid for it. Later it declined quickly to two points below the offering price.

What had happened? Hundreds of people bought the issue for a quick profit in the market. Only a small proportion of the subscriptions were from sincere investors, weighing carefully the attractions of the security, and buying for the future. When the stock became available the speculators rushed to sell. Just as mob psychology showed itself in the rush to subscribe, it showed itself in the rush to sell. The over-subscription did nothing except cause an artificial market which injured the interests of sound investors.

In the other incident referred to, an over-subscription of six times was followed by steady decline in the security.

Let this not be taken to mean that new issues are never over-subscribed quickly, or that all such announcements are half-truths. One has only to consider the high degree of honesty and sincerity that actuate practically all Canadian investment houses to realize that intentionally misleading announcements are rare in this country. But an honest and sincere announcement may mean one thing to one man and another to a second.

FIGHTING PROSPERITY

THE Grain Growers' Guide warns the Western farmer to prepare for a battle royal on the income tax It is not often that we see any organ of public opinion or any group in the population preparing to fight to the last ditch against tax reduction, but that is the spectacle which the Grain Growers' Guide and the organized farmers of Western Canada present. It may be, of course, that the farmers are merely trying to make it so difficult for business men to have the income tax reduced that the latter will have no time for discussion of the tariff. This in itself would not be unwelcome; Canada needs a holiday from tariff discussion. If a law could be passed and enforced, making it a penitentiary offence to express any opinion on the tariff for five years, we could at the end of that time approach tariff problems with much larger vision and much less bickering than at the present time. Many of our so-called tariff problems would loom less largely if they could be looked on with a five years' perspective.

However that is away from the point. The Grain Growers' Guide hardly makes out a good case for the continuation of our present onerous heavy scale of income taxation. It says:

"The fundamental principle that must not be overlooked is that those who are enjoying large incomes are entitled to pay something extra towards the cost of running the country. In other words, they should pay in proportion to their ability to pay, and the income tax is the only tax levied upon that basis."

This is excellent in theory. In actual practice, the income tax does not fall so evenly and justly as that. It is most unfairly administered, as the fact that salary earners pay most of the tax while farmers go practically free evidences. It is a tax scandalously uneven in enforcement and unfair in collection.

Even that is not the worst feature of the income tax. Its most serious feature is that it is a brake upon the expansive investment of capital in the development of the country. It encourages safety-first investment. Recent reductions have done much to correct its evil influence in this regard. One of the stimuli in the present growing prosperity of Canada is the fact that the income tax rate has been reduced and further reductions are promised. If these promised reductions are denied through the influence of the Western farmer or through governmental extravagance, the whole level of business in Canada will be adversely affected.

Says the Guide:

"If the income tax is abolished, the necessary revenue must be raised by other methods, chiefly through the customs tariff, which falls particularly heavy upon people with small incomes and those with large families."

This is sheer tommyrot. Canada does not want tax reductions in one direction at the expense of increased taxation in another direction. Nor do we have to have it at such cost. Governmental economy is the proper team-mate of tax reduction.

But a big cut in the income tax will not be followed by a big cut in revenue. Every successive cut in the income tax in the United States has been followed by increased revenues from the tax, due to the business expansion it has stimulated. In the first three months of the present fiscal year, income tax revenues in Canada actually increased by ten per cent., despite a cut in the rate of taxation.

Is it not time that some of the short-sighted spokesmen for the Western farmer, spokesmen who hardly can claim to voice with authority the sound views of the business-like agriculturists of Western Canada, awakened to a realization of the fact that they are not only ungracious, but dangerously unbalanced in arguing for the continuance of income tax rates that place Canada at a serious disadvantage with other countries.

MORE GEOLOGICAL WORK

THE maps of the Geological survey of the coalfields of Nova Scotia are dated between 1870 and 1884. Since this time practically no geological work on the coal areas has been carried out.

In a paper to be given before the Empire Mining and Metallurgical Congress this summer, F. W. Gray mentions this fact and points out that the province of Nova Scotia itself has not in recent years attempted any participation in the geological research of its coal deposits.

The province for years has obtained a revenue from its coal mines and in not ploughing back a portion of such revenues into geological work, the province compares more than unfavorably with Alberta, British Columbia and Ontario.

When F. W. Gray speaks of the imperative need of more geological work on the Nova Scotian coal seams, the politicians would do well to hearken to his plea for he knows whereof he speaks. F. W. Gray is one of the few technical men in Canada with a knowledge of coal and he is an outstanding leader in his field.

More and more it is being realized that governments can not continue to accept revenues from the development of natural resources such as minerals and forests without ploughing back a large portion of such monies to ensure the continued life of such developments. Revenues from mines should in large measure be devoted to assuring the future of the industry and revenues from forests should be used to prolong the life of the pulp and paper and lumber industries.

But governments will only take action along these lines in proportion to the general public realization of these facts.

UNFAIR TO P. E. I.

STATEMENT attributed to a large American investment house, specializing in real estate bonds that, "Notwithstanding the great amount of building throughout Canada, complete stagnation was reported in the Province of Prince Edward Island," is hardly fair to the island province. Prince Edward Island is not booming, but it never has boomed. Prince Edward Island's affairs and Prince Edward Island's business are healthy and sound, and there is no sign of the condition that the word "stagnation" suggests.

EDITORIAL NOTES

VIRTUE is its own reward, but nevertheless Sir Campbell Stuart is now made chairman of the Pacific Cable Board as well.

• • •

FOR THE first time since he became president, Calvin Coolidge has made a cut in a tariff item. One swallow, though, does not make a summer.

• • •

BRIG.-GEN. DYER, who suppressed the Amritsar rebellion of 1919 with rifle fire, is dead. He died with a black cloud on his reputation.

• • •

THOSE TWO punches with which one Dempsey knocked out the social-climber Sharkey ought to be worth half a million apiece to Estelle Taylor's husband before he is through.

• • •

TIME IS indeed the great healer. The newspapers are writing very nice things about Hindenburg on his 80th birthday. Ten years ago......

• • •

HENRY FORD has changed his mind about the Jews; about co-operative marketing; about Aaron Sapiro, and about his car. And every change cost him a little change.

• • •

SIR WILLIAM ASHLEY, British economist, who died this week, was professor of economics at Toronto University back in the 80's. Toronto University still combs Oxford for its professors of economics.

• • •

THE TORONTO Baseball Club asks for a street car to its ball park, and one of the arguments advanced by its supporters is that the club does more than any one agency to advertise Toronto. This may be true, but it is also true of the Toronto baseball club, as of every other professional baseball club, that it owes its patronage and its revenues to the fact that the daily newspapers each year give it free publicity by the thousands of columns that any other commercial agency must pay real money to get.

Making Your Will

A Series of Discussions on Estate Building, Wills, Succession Duties, Etc.

Thirteenth Article—THE LIFE INSURANCE TRUST.

By RALPH C. GEDDES.

There is one form of living trust which needs to be considered separately from the others. This is the life insurance trust, which is of especial interest, both because it is of comparatively recent origin, and because it is a form of trust that will appeal to a large number of men as a very sensible method of dealing with the capital that will be provided by their life insurance. It is of particular interest, too, because this is a form of capital which almost every man is accumulating for his estate.

Different Kinds of Insured

All men who carry life insurance can be divided into two classes in so far as the payment of the premiums is concerned.

There is the man whose income from investments is enough, or more than enough, to pay his premiums In other words, he has built up a reserve of which a portion, whether consciously or not, is allocated to keeping his insurance in force. Still so long as these investments are held in his own name, they are liable to all the hazards that may overtake him in his business life. On the other hand, if he sets enough of them aside in the possession of a trustee, from which sufficient income will be derived to pay these premiums, he can "insure his insurance" in the most effective manner.

The trustee under the deed under takes to pay the premiums, care for the investments forming the capital (with or without his supervision) and at his death take charge of the capital, now augmented by the insurance and distribute it as the trust deed directs, amongst the beneficiaries named and in the manner set out Consequently, whatever may happen his policies will never lapse, and their proceeds, together with the capital placed in trust, will remain for the protection of his wife and family.

Must Have Reserve Besides

Claims otherwise payable in lump sums can thus be converted into a trust when they become payable, and distributed by instalments in the same way that any trust set up during his lifetime or by his will would dispose of capital. A power to encroach to supplement the income in various contingencies makes such a trust a very flexible instrument for the real protection of the beneficiaries, since such protection involves not only means to assure the safety of the funds, but also measures to provide for the proper application of it, if the needs of the beneficiaries require it.

This trust, known as the "funded trust" presupposes a reserve of capital and is not of much use to that very numerous class of men who have no reserve other than the insurance protection which they are building up out of their yearly earnings. For these there is the "unfunded trust."

This really is not a living trust, inasmuch as it requires no capital to be set aside to establish it; but since it can be created by deed during one's lifetime, it may be considered in this category. It is more in the nature of a will disposing of the life insurance proceeds; and, like a will, there is no charge to be made by the trustee until the money actually comes into the trustee's hands. A trustee is nominated to receive the insurance money, and, as in the "funded trust," the terms of the trust deed can follow any plan of distribution that you may wish.

The whole idea underlying both these forms of trust is to extend the protection which insurance provides. Insurance that is payable in lump sums is not the most complete protection possible for those beneficiaries who are not able, or are not fitted, to employ it in their best interests. By making a trust fund of the proceeds under a life insurance trust deed, the payment out of this insurance capital can be spread out for as long as it is likely to be needed by them; or, at any rate, it will be husbanded to last as long as possible.

Seventy-five per cent. of the insurance claims paid yearly are dissipated within seven years. Ninety per cent. of insurance is still payable in lump sums. No doubt, a great deal of insurance money received by beneficiaries is spent for necessary purposes and good value has been received for it; but it is possible to draw as an inference from the above facts that a very considerable portion of it must be wasted for it to vanish as quickly as these statistics show. Everyone in his own experience amongst his acquaintance or in his locality, has known it to happen.

Insurance Should Go Farther

Life insurance, of course, is a most excellent thing. It is better for dependents to have resources provided for them than to be left with none at all; but the insurer should go farther in his precautions for their protection and make certain that this capital will be employed for the purpose for which it was accumulated. If the beneficiary cannot be absolutely depended on to do this on his or her own behalf, it should be placed in the hands of a reliable trustee who can be directed to carry out your wishes, practically as though you had lived. This is the chief reason, and in many cases a very necessary one, for establishing a life insurance trust.

Sixth Article in Series on the Finances of Our National Railways.

Balance Sheet Reflects Mistakes Made Long Ago

By RIELLE THOMSON.

The annual balance sheet of the Canadian National is not a pleasing document. It could not be so, what with the situation surrounding the component properties at the time they were acquired and the large deficits which have accrued annually since the formation of the C. N. R.

Also, the balance sheet of the railway perhaps hardly presents as accurate an idea of the financial situation of the road as does the average balance sheet. One of the reasons for this is that in its liabilities the railway shows securities at par which the road should never have been asked to carry at that figure.

Condensed Balance Sheet

A condensed balance sheet of the C. N. R. as at the close of 1926 follows:

Assets		
Fixed assets		$1,986,490,708
Current assets		90,079,207
Deferred assets		24,512,348
Unadjusted debits		10,323,204
		$2,111,405,467
Liabilities		
Stock		$ 271,042,949
Government grants		16,416,351
Funded debt		2,161,046,866
Bonds outst'g	$935,383,110	
Loans from Dom.	594,300,367	
Unpaid interest (to Dominion)	193,951,357	
Appropriations	437,412,032	
Current liabilities		42,623,839
Deferred liabilities		4,616,828
Unadjusted liabilities		24,599,307
Deficit		408,940,673
		$2,111,405,467

FIXED ASSETS

In order to obtain a better picture of the position of the road some explanation is necessary regarding the foregoing figures. The fixed assets carried at $1,986,409,708 is a figure representing the sums paid out on capital account. Of this figure the company carries its investment in road and equipment at $1,886,449,586. The remaining amount, composing the total fixed assets, includes miscellaneous physical properties, some of which have been purchased since the consolidation of the component companies, and various investments, some of which are securities of affiliated companies.

In the main, the total figure at which assets are carried on the books, is, it has been said, the total valuation which the company places on its road and equipment. This figure was arrived at at the time of the consolidation by what amounts to making a total of the actual cost of constructing the component companies.

The current assets of over $90,000,000 are composed chiefly of cash, supplies and accounts receivable. Deferred assets covers sums of money paid out during 1926, but not actually applicable to the operations of that one year. Such payments as insurance premiums are included under this heading. Unadjusted debits is a small item, which includes such charges as the discount on bonds which have been sold and other charges not entirely applicable to the 1926 year.

Liabilities are Complicated

The liability side of the exhibit is somewhat more complicated than the assets. In the first place the liability carried under the head of capital stock is intricate; it covers shares of the original companies now owned by the Government and in some instances still held by the public.

The next item of governmental grants covers grants made by the government in order to assist the railways many, many years ago, in early stages of predecessor roads.

The bonds outstanding item explains itself. The C.N.R. has bonds to this amount outstanding and in the hands of the public. The next item on the liability side of the exhibit is also self-explanatory and reveals the total debt incurred by the Canadian Government on behalf of what is now the Canadian National Railway system. Next comes the interest due to the Dominion which the C.N.R. has not met. The last figure under the head of funded debt includes annual deficits in the income paid by the Government to the railways since the time the predecessors of the C.N.R. were first put into operation in 1835 by the erection of a line connecting La Prairie and St. John, P.Q. In other words, the figure includes such items as the deficits accruing over many years from the operation of the Intercolonial Railway, to mention one instance. The government from time to time has also had to meet charges of, and to make appropriations for, the predecessor private companies.

Should be Recapitalized

This is one of the reasons why many feel that the present road should be recapitalized and its capital structure materially scaled down. It is felt that the present management has been overburdened in having to carry on its shoulders a capitalized load which, in many instances at least, was due in part to the rapacity, over-ambition, over-optimism or just plain foolishness of the predecessor companies.

Current liabilities of some $42,000,000, include the usual items coming under this head, such as accounts payable, interest and rent accrued, and various sundry liabilities which have to be met shortly.

Deferred liabilities is a small item, but it comprises sums which must ultimately, but not immediately, be paid.

Unadjusted liabilities include sums which have been set aside for various purposes. The largest of these is for an insurance and casualty reserve; depreciation also is another figure carried under this head. Tax liabilities are also included here.

Unlike most companies the C.N.R. has a deficit in its surplus account of wellnigh $409,000,000. This is due in part to the annual deficits which have piled up.

Took Over White Elephant

While the balance sheet of the railway is undoubtedly unsatisfactory, it is but fair to state that it could hardly be otherwise, for the government acquired the road when there was a tremendous deficit in the surplus accounts of the predecessor companies and, moreover, took over their high fixed charges. Moreover, fixed assets are carried at some $462,000,000 lower than the C.N.R.'s fixed liabilities in bonds and stock.

Any private company in a similar position would simply have passed into the hands of the receiver acting for the bondholders. The capitalization would be cut down and the company would once again start off earning money on a reduced capitalization. Such a course has been denied the C.N.R., both in 1917, when the Government acquired the component railways, and also again in 1922 when the new form of management, under Sir Henry Thornton and his board of directors, took over the railway.

Stock Market Transactions

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As Others See Us

A Triumph of Research

The Blue Bell (house organ of Bell Telephone Company of Canada).—The Financial Post is laying great stress on the importance of a vigorous policy of scientific research if Canada is to keep abreast of progress in other lands. As it points out, industries are changing, almost over night, as a result of the application of the contributions of the chemist and the research worker.

Only the other day we were given an extraordinary demonstration of what the fruits of scientific research can do in the stimulation of the national spirit of patriotism. By the application to continent-wide telephone circuits of such equipment as amplifiers, equalizers, volume indicators, electro-magnetic reproducers and variable frequency oscillators, scores of thousands of Canadians, and their kin beyond the seas, were enabled not only to hear, but in spirit, to have actual part in the Diamond Jubilee Programme at Ottawa. Hundreds of thousands were thinking the same thoughts, being inspired by the same music and addresses, the same emotions, and all at the same moment. It was unprecedented perhaps the greatest event, because of the very unanimity of the thing, in Canada's history.

As we all know, it was scientific investigation—research, that made it all possible—research, plus the perfect co-operation of all those who labored so devotedly to make the great Jubilee broadcast a success. Bell system engineers and scientists, could they read the thousands of letters from enthusiastic listeners, some of them from the most remote outposts of this great land, would feel assured that theirs is one of the worthiest tasks to which men could devote their lives.

Victoria Votes Support To Cold Storage Plant

Victoria ratepayers have ratified a proposal to guarantee the earnings of a new cold storage plant to be built by a Montreal group.

The agreement sanctioned by the cold storage by-law, is, briefly, that the Victoria Cold Storage & Terminal Warehouse Company, Limited, undertakes to erect a plant at Ogden Point at a cost of not less than $500,000 and to start operations with at least $200,000 working capital, in consideration of which the city of Victoria agrees to make good any difference should the earning of the first 10 years fall below seven per cent. on $600,000. This agreement covers taxation and water rates as well, and also provides that the city would be entitled to the net profits in any year in which a sum was advanced, and in the twelve months no bonus would be paid by the company to its shareholders. Should such payments be necessary the city makes itself liable to a maximum of $35,000 in the year.

Investment Consultation

IF you are in doubt about the safe investment of your money (whether it be a small or large amount) do not hesitate to consult us.

By so doing you incur no expense whatever, and place yourself under no obligation to us.

Correspondence Invited.

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City of Windsor

5% Bonds

Principal and half-yearly interest payable at Windsor, Ontario.

Subject to Legal Opinion of Messrs. Long & Daly.

Assessed Value for Taxation, 1927	$70,374,450.00
Total Debenture Debt	12,505,284.52
NET DEBENTURE DEBT	8,026,682.95
Value of Municipality's Assets	14,887,538.55

Population—61,095. Area—3,225.28 acres.

The City of Windsor and the neighboring towns of Walkerville, Sandwich, Ford City and Ojibway comprise what is known as "The Border Cities," undoubtedly the most rapidly growing district in Canada. According to the official figures the population of Windsor in 1919 was 31,629, while at the close of 1926 the population had expanded to 61,095.

It occupies a strategic position for business and manufacturing, being served by several lines of railway and being on the line of traffic for all steamers up and down the Lakes.

Full particulars on request. Enquiries invited.

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries on sheets separate from other investment inquiries.

Follow the Rules

Will you kindly advise through your columns what you think of "Petroleum Royalties" as a safe investment.

We can not answer your question because you did not follow the rules. Read them at the head of this department. Inquiries are answered by The Financial Post only when the following rules are observed:

1. A two-cent stamp or stamped addressed envelope must be enclosed.

2. Name of subscriber must be given. No names are published.

3. Inquirer must be a subscriber to The Financial Post.

All inquiries are answered by letter. We receive many times more inquiries than can be published in the space that can be allotted to this feature. For that reason only answers of general interest are printed.

Do not ask for any "by return mail." Most inquiries are answered by return mail, but it is not always possible to make a complete investigation of a new or little known security in time to enable an answer to be sent by return mail.

Can. Bank of Commerce

I own shares in Canadian Bank of Commerce, bought at 190. Do you think I should sell and take my profit?

We see no reason why you should sell Canadian Bank of Commerce shares. These shares should continue to advance in value as the country's prosperity grows and you are likely to make as good a showing by holding the Canadian Bank of Commerce shares as by selling them and re-investing the money in some other security.

Royal Bank Shares

I would appreciate very much having your opinion of the Province of Buenos Aires 7 per cent. bonds and also United States of Brazil 7 per cent. bonds. I am thinking of selling Royal Bank shares to buy these bonds.

We would strongly advise you not to sell your Royal Bank shares to purchase the Province of Buenos Aires and the United States Brazil bonds. While the yield on the Royal Bank shares, at the present time, is low in comparison with that of the bonds, the market value of the former has appreciated considerably in value during the past two or three weeks. The Canadian banks have always been generous with their shareholders and it is not unlikely that these stocks will go higher.

Hunts—Laura Secord

Holding ten shares of Hunts new issue of preferred shares I wish to ask you your advice regarding it as an investment. I notice that Laura Secord preferred is selling at about 108, while Hunts is only about 92. Is there any good reason for this other than that Laura Secord is an older and larger company. Do you advise holding this stock either for its dividend returns or for its possible rise in value or for both?

We would advise you to hold your preferred stock in Hunt's Limited. The difference in value between Hunt's and Laura Secord preferred is not as great as you think. Hunt's stock was issued at a price, $100 a share with a bonus of one half share common. The preferred is selling around $92 and the common at $25, so that for each hundred dollars put in Hunts' preferred, there is now a market value of 104.50 On the other hand, Laura Secord preferred is selling at $108 and the common at $31. Laura Secord only has 35,000 no par shares outstanding and their earnings have been well maintained during the past three years so that the equity behind the preferred is greater than that for Hunt's. Moreover, there is a possibility that Laura Secord will do something for the common shareholders in the near future.

International Paper

I would like your opinion of the common shares of the International Paper Company. If I purchase them, I shall hold the shares for four or five years—provided, of course that the present situation existing in the newsprint industry does not grow materially worse in the meantime.

For a four or five year hold, the common shares of the International Paper Company give every indication of appreciating in value. Moreover, the stock gives every indication of appreciating handsomely.

In view of the present situation surrounding the newsprint industry, you must remember that there is a certain speculative element surrounding the stock and thus, perhaps, the shares may sell lower before they sell higher.

In our opinion, you would be well advised to place some of your funds in the common shares of the company—providing you hold also other securities in a similar class so that what you "lose on the swings you may make up on the roundabouts." For a really long pull, International Paper common is extremely attractive.

Gurd Common

Would you let me have your views on the common shares of Charles Gurd and Company, which is changing hands on the unlisted section of the Montreal Curb at around $29. I would appreciate any information which you may have on the capital structure of the company, its prospects and the likelihood of a dividend on the common. It is rumored that the stock will go on a $2 or $2.80 dividend basis. Kindly let me know if you consider the stock to be a satisfactory investment at its present price.

The common shares of Charles Gurd and Company appear to be a purchase for a business man. The stock is to go immediately on a $2 dividend basis. Last year, the company earned practically $4 a share on its stock and this year sales have been at record levels—they have increased by about 50 per cent. over last year. Thus it would not be surprising if earnings this year went over the $6 per share mark. Yes, the stock looks like a good speculative investment at its present price.

The outstanding capitalization of the company consists of $500,000 in 7 per cent. preferred and 22,250 common shares of no par value. The company has no bonds outstanding but there is a $300,000, 5 per cent. mortgage on the property.

Financial Adviser

Will you kindly advise who Herbert Howard, editor of the Financial Adviser, is, and if his advice is any good. His sheet is published in Montreal.

One of the editors of The Financial Post had a rather amusing experience with Herbert Howard and his Financial Adviser. Our editorial writer had his name placed on Mr. Howard's "sucker list." After receiving the daily sheet for a little while, Herbert Howard called our editor on the telephone and tried to sell him some wildcat mining stock.

We would strongly advise you to have nothing whatever to do with either Herbert Howard or his tipping sheet. The function of this sheet, we judge from our experience of Mr. Howard, is to sell doubtful stock to his subscribers.

His unpleasing little game is to first of all tip of thoroughly sound securities to his subscribers. Then he starts tipping off wildcat stock and telephones his luckless subscribers and tries to "high-power" them into purchasing "boiler-plate" stock which he is no doubt personally interested in selling.

New England Trust

I have an investment in the collateral trustee shares of the New England Investment Trust. Since purchasing my shares I have heard some adverse criticism of the organization. Would you be good enough to give me your opinion of the stock and let me know whether you consider the stock to be semi-speculative?

We consider the collateral trust shares of the New England Trust to be a business man's investment. Incidentally, almost every issue which comes out is subjected to some adverse criticism. This is but natural, because every security must have some weak points.

The present economic trend favors the larger companies. The New England Trust has purchased only the securities of the bigger companies in each group on the New York Stock Exchange. Thus, we would say, that over a term of years the shares of the New England Trust stand a good chance of appreciating in value. In view of the present day spotty business conditions in the States, we would say that you can probably look for but little appreciation in the shares of the New England Trust during the current calendar year.

We are inclined to place the shares of this trust in the business man's investment class rather than in the semi-speculative class.

Brooks Steam Motors

One of our customers has handed us the following letter regarding the shares of the Brooks Steam Motors, and he is requesting us to please give him our advice as whether he should change them for American shares or not.

Exchange of Stock

To the Shareholders of
Brooks Steam Motors, Ltd.,

Mr. O. J. Brooks, your president, has made it possible for us to offer to exchange a limited number of preferred shares, par value $10, and common shares of no par value, of Brooks Steam Motors, Inc., of Buffalo, N. Y., for a like number of preferred shares, par value $10, and common shares of no par value, of Brooks Steam Motors, Limited (Canada).

If you wish to take advantage of this offer you must insert your address, date, number of shares and signature, and return the enclosed exchange slip to this office within five days from receipt of this letter. As the amount of shares we are authorized to exchange on the above basis is limited, answers will be dealt with in the order received.

Brooks Securities, Limited.

As we are not aware of this exchange of stock, would you please tell us if our customer would get any further advanced if he was to change them.

Affairs of Brooks Steam Motors of Canada are not in the best of shape. A large percentage of the money subscribed has gone into the development work, which is not yet returning the company any substantial income. Our opinion is that those who invested in the company should consider that they have lost practically all of their investment and are likely to get very little out.

Nor does there seem to be any advantage to be gained by exchanging from one company into another. Brooks Steam Motors Inc., of Buffalo, apparently will have the same management and control as Brooks Steam Motors, Canada. The essential factor in industrial corporations is that of management and we have no confidence in these people who control the company. The best thing to do is to stick with the Canadian Company and hope for the best.

When Women Invest

Woman Has Important Role To Play in Handling of Family Budget and it Links Closely with Investment Problems.

A WEEKLY FEATURE

All investors are told by their most trusted counsellors that the road to safety lies in spreading one's savings over quite a large number of different investments. Put a little money here; a little there and so on, is the advice given. Don't put all your money in one mortgage, or one stock or one bond; that is just like you putting all your eggs in one basket. If the basket falls the eggs are all broken. The same with investing. If the one investment happens to turn out badly all or a large part of the money is gone.

Of course, this does not apply to government bonds nor to any important degree in municipal bonds. But if one were to put all one's money in this type of security, the return would be rather small; somewhere around 4½ per cent. when what the investor wants is over 5 per cent. and around 6 per cent. if it can be had without any undue risk.

Not So Easy Sometimes

But getting a wide distribution of investment is not always easy especially in the case of women investors. In the first place there is the difficulty of selecting and watching several different investments. In the second place the difficulty is enhanced when the amount of money available for investment is small. If a woman has only a few thousand dollars to invest it is not so easy to divide it into several parts. Brokers must usually have to have an order for five, ten or even more shares before they can buy it at the best possible price; then diversification is difficult.

There is one way in which both of these problems can be solved at once and diversification obtained. This is by investment in the securities of the so-called investment trusts.

What Investment Trusts Are

Investment trusts are bodies organized to acquire large amounts of money in small sums from many different investors and to place the money in a large number of securities. Each investor thus has his or her proportionate share of the funds in the trust divided among dozens and possibly hundreds of securities.

Investment trusts are common in Great Britain. Many of them now exist in the United States. There are only a few as yet in Canada, but more will be formed shortly. There are some self-styled investment trusts running in Canada that are hardly worthy of the name. Women investors should watch out for these and make certain that they are dealing only with reliable, responsible people who are organizing their investment trusts on sound lines. If you are in doubt write to the editor of The Financial Post, who will tell you whether or not the investment trust you choose is soundly organized.

The principle of the investment trust is sound. It affords the investors of small sums the protection of wide diversification which cannot ordinarily be obtained through investing directly in securities by the individual whose investment account is not very large. The investment trust should represent ownership in a large number, as well as many varieties, of securities. Diversification should not stop with mere number of different securities. Diversification should be in variety of securities representing different lines of industry, as well as different countries. In other words, geographical diversification should be provided for in every investment trust. Through the principle of diversification in the investment trust the risk of owning individual securities is minimized as well as the risk of war, famine and misfortune, which may come to any individual country or locality.

The most important factor for the buyer of the securities of an investment trust to consider is the management. When the management is in the hands of untried and inexperienced officials, the securities are not a safe investment. The management should be above all proven dependable and honest.

The buyer of the securities of a well-managed investment trust unquestionably has less risk than the buyer of an individual security. An investment trust built up of common stocks, or of common stocks and bonds and preferred stocks combined, may afford the investor very large profits. But this does not indicate that all such organizations will either be safe or profitable. It is true that the wise selection of common stocks has afforded great profits to many investors, and to-day there is much public sentiment for high grade stocks in large corporations. These stocks, however, must be carefully selected in growing industries, and declining industries must be carefully avoided. It might also be said that the organization of an investment trust built up of either common stock or bonds or a combination at a time when the general level of the prices of these securities is near the top would require very shrewd selection to avoid serious mistakes and ultimately great losses.

Safeguards for the Investor

The articles on investment trusts recently written for The Financial Post by Mackenzie Williams were written in language any investor could understand. However, if you did not follow this series, you will find the following rules useful. They were prepared by Ivan Wright, an American university professor:

The investor in the securities of an investment trust should avoid trusts with complicated security structures, junior shares preceded by large amounts of debentures and preferred stocks and the like.

Many of these hasty-built investment trusts at these times, when security prices are very high, will find their equity and income for these junior shares very greatly reduced in a period of falling prices and declining earnings.

No investment trust need ever have a complicated capitalization of a large number of classes of securities and junior shares.

The investment trust should report frequently its full condition and the collateral behind each security offered to the public.

The ratio between the collateral deposited in trust and the price at which the shares are sold should be definite and within narrow limits.

The managers of the investment trust should never have a personal interest in the securities purchased.

The services of a competent trust company, which accepts the responsibility of trustee should be secured and the collateral of the investment trust deposited with it.

The investor to-day who seeks to purchase shares of the newly-formed investment trusts should first ascertain through some one competent to judge full information about the organization, the management and its trustee relationships and responsibilities.

POST-Scripts

HOPES expressed by town of Sydney Mines, N.S., that it may again flourish as a result of the present struggle in Besco are declared by those intimate with the situation to be vain.

Nova Scotia Steel and Coal Company erected blast furnaces and steel plant at Sydney Mines. For years they operated and the town was prosperous. But as steel operations began to be concentrated under one merger after another the Sydney Mines plant lost importance and is now idle. And everyone who has anything to do with the situation views the plant as scrap.

A RED DEER, Alberta, subscriber writes to protest against the map of Canada published by the London Times in its Jubilee issue. It is hopelessly out of date, he thinks, and points out that Alberta's later railway construction west and north is not specified. Strathcona, which is now colloquially Edmonton South, and has been a part of Edmonton since before the war is shown very prominently. Fort Assiniboine, with a population of ten is given prominent position and Fort Pitt, of similar type, is also shown. The Red Deer man thinks that this prominent display of R. C. M. P. posts and Indian reserves, when settlement has gone out beyond them, does not give an idea of the present position of Alberta.

If Alberta has reason to feel that the London Times wronged it, other provinces can feel the same. The only community in Eastern Ontario, between Kingston and Toronto, that is shown is Colborne and the only one in Western Ontario, apart from London, is Clinton. Such places as Peterboro, Oshawa, Stratford and St. Thomas, for instance will have to be content with what is probably the explanation — that Clinton and Colborne were the only towns that came where the artist had open spaces to put their names.

In Quebec, St. Johns has been shown, but Sherbrooke is missing.

But the London Times map does not make any mistake as serious as that on a map run some time ago by a Montreal paper to show the location of Peace River district. It had Peace River half in Saskatchewan and half in Alberta.

A Broad Buying and Selling Market

Our system of offices in financial centres from St. John's, Nfld., to Victoria, B.C., as well as in New York, covers active markets for Canadian securities of all investment types.

Communicate with us when you wish to buy, sell, or obtain information on bonds or shares in which you have an interest.

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We have prepared a comprehensive review of this company, analyzing its present position and prospects.

Those interested in the future possibility of price appreciation in this company's securities will find this review of particular interest.

A copy will be sent on request.

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The progress of many basic Canadian industries has directed the attention of careful investors to the opportunities offered by the senior securities of successful corporations.

We have prepared a booklet containing particulars concerning thirty-seven such securities. Investors should find this digest useful as a guide to the employment of their funds as well as for reference purposes.

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We invite inquiries from investors of small as well as large amounts.

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News of Investment Markets

PUBLIC INTEREST IN BOND OFFERINGS AGAIN ON INCREASE

High Yielding Industrial Issues Now Attract Investors

Inquiries received by The Financial Post during the past few days, indicate strongly that there is a revival of interest among investors in bonds. Curiously enough, interest lies in the higher yielding industrial issues and not in municipal or government bonds. Lower money rates are probably bringing about this change in taste, as well as on account of the diversity and attractiveness of the many high yielding industrial issues being put on the market by Canadian investment bankers.

There seems to be a paucity of bonds in the Canadian market at present. The Federal Government has not been in the market for some time, and it will be at least another two months before it undertakes any refunding. Provincial requirements are also taken care of for the time being while municipal financing has been especially small in the past few weeks. Industrial issues, on the other hand, have been more numerous, but here again, one finds that the aggregate value of such is not very large.

Large Sum for Reinvestment

During the first two weeks of the present month, a large amount of money became available for reinvestment, variously estimated at from $60,000,000 to $75,000,000. While a considerable proportion of this would be placed in stocks, the larger percentage would be held for reinvestment in bonds. To date there has been no indication that this amount has been reinvested. This would indicate that a large number of people are holding back in the hope that better returns will be available in the fall. The outlook in this connection is not very encouraging, and the large numbers of inquiries received by The Financial Post signify that the public are beginning to appreciate this fact and are now looking around for attractive investments.

Except for the Federal refunding loans to be brought out late this fall, there does not appear to be any likelihood of an oversupply of bonds. New issues brought out in Canada during the first half of the year, unlike those in the United States, have been well distributed. In many instances offerings have been oversubscribed before a public announcement was made. Moreover supplies in dealers' hands are particularly lean. Only small odd lots are being offered and diversification is limited.

Larger Capital Needs Likely

A good crop this year and continuation of present prosperity will undoubtedly bring about greater industrial activity. Consequently demand for additional capital for industrial purposes should be greater. The hydro-electric industry has shown no let-up in development during the past year and a half and it is not unlikely that a number of bond issues will be brought out to further this work. The same situation exists in the pulp and paper industry and it is significant that in the first six months financing of companies engaged in this industry led all other industrial groups.

There are apparently large sums of money available to finance new enterprises or to provide additional capital for old-established concerns. Savings deposits are higher than they have been for some time past while commercial loans have not increased in the same ratio. Insurance and trust companies are also in the market for sound securities and it is expected that the percentage of new bond issues brought out in 1927 absorbed by Canadians will be larger than in any preceding year.

The Paterson elevator at Crystal City, Man., is now completed and will have an increased capacity of 12,000 bushels.

National Manufacturing Reorganization Approved

Majority of the holders of the 6½ per cent. first mortgage 10-year sinking fund gold bonds of National Manufacturing Company, Limited, have approved a plan of reorganization of this company. There is outstanding $243,000 of the bonds.

Application will immediately be made to secure a federal charter for a new company to be known as General Combustion Company, Limited, capitalized with 75,000 shares of $10 par value. This will take over General Combustion of Canada, Limited, 358 Beaver Hall Square, Montreal, and National Manufacturing Company, Limited. Bondholders of the latter will receive $50,000 in cash and $243,000 in the new company's common stock. Just as soon as the courts reconvene in September approval of the scheme will be sought.

When the bonds were sold two years ago by a Montreal house, emphasis was laid on the fact that assets of the company were over one million dollars.

B. C. Pulp and Paper Puts Up New Pulp Building

The British Columbia Pulp & Paper Company is awarding a tender for the construction of new buildings at the Woodfibre plant. The building will cost $20,000 and the equipment approximately $80,000, this new equipment being designed for the purpose of improving the quality of the pulp.

Extensive investigations are also under way for the utilization of different qualities of wood for the manufacture of rayon pulp.

Changes have recently taken place at the Port Alice mills of the British Columbia Pulp & Paper, Company under which Reginald M. DeCue has become assistant mill superintendent. Mr. DeCue, who is a graduate in chemical engineering, has been assistant chemist at Powell River paper mills.

Revenue Freight Loadings Continue in Record Volume

A continuation of the record car loadings is seen in the report for the seven day period ended July 16th, the 28th week since the beginning of the current year, when 63,469 cars were loaded, as compared with 61,549 in the previous week and 60,258 in the corresponding period a year ago. With the exception of livestock, pulpwood, pulp and paper, and ore, all divisions recorded increases as compared with last year's loadings. Merchandise continues to feature the reports, loadings in this division indicating a record distribution of manufactured goods.

Since the beginning of the year, revenue freight loadings have totaled 1,694,-315, as compared with 1,604,729 in the same period last year, exclusive of cars received from foreign connections. Coal recorded the largest proportional increase, although pulpwood was also wall up to the front. Taking into consideration cars received from connections, revenue freight handled this year is 117,269 cars greater than in the first 28 weeks of 1926.

United Bond Co. Offer Queen's Park Plaza Bonds

United Bond Co., of Detroit and Windsor, are offering a first mortgage bond issue of $875,000, on a $2,000,000 apartment hotel to be constructed in Toronto and to be known as the Queen's Park Plaza.

The building will be fifteen stories in height, of steel reinforced concrete and brick construction with the exterior of the lower floors finished in cut stone. It will be completely fireproof, and has been especially designed to meet the requirements of the city's growth at this important pivotal point. In addition to the private rooms and suites, so arranged that they may be adapted to the demands of occupants, it provides a few high class shops and offices on the lower floors, as well as a public cafe, dining and dancing rooms for private entertaining, and those services, such as Sandwich shops, valeteria and barber shops, etc., as are to be found in the better hotels.

The Queen's Park Plaza, in the diversified purposes which it has been designed to serve, fills a demand which has existed for some time. Already, while construction work is only getting under way, all the ground floor and basement space has already been leased to high class tenents.

Trail Ore Receipts

Ore receipts at Trail Smelter from July 8 to 14, and from Jan. 1, 1927, to date, in tons:

Company's mines	11,815	226,995
Other mines	1,817	86,614
	13,632	313,609

Toronto House Offers Jack Frost Ice Machine Co. Stock

Expansion of present plant facilities, brought about by a growing market, has caused the Jack Frost Ice Machines Co., to make an offering of $100,000, 8 per cent. cumulative preferred shares and $100,000 common stock, through Smith-Dalby-Welch and Co., of Toronto.

This concern commenced business in 1922 as the pioneers in Canada of dry electric refrigeration. "Jack Frosts" systems are well known throughout the Dominion and have been installed in a large number of residences, as well as in apartments in Toronto, Hamilton, Walkerville, Windsor and other cities. The latest balance sheet, as at Auguust 31, 1926, shows current assets of $77,283 and fixed assets of $34,337, making a total of $111,620. Current liabilities at the same date amounted to $38,728 and fixed liabilities $22,000, a total of $60,728. The company has paid dividends at the rate of 8 per cent. on its preferred stock for the past five years.

Sales for the year 1926-27 are estimated to reach $128,000. The company's sales are now running at the rate of $150,000 per annum. When the present financing has been completed and necessary additions to plant made, sales are expected to exceed $450,000 a year.

Particulars of the issue follow:

THE JACK FROST ICE MACHINE CO.
$100,000, 8% Cumulative Preferred Shares
$100,000 Common of $100 Par Value Each

Business—Founded in 1922 as the pioneer dry electric refrigeration company.

Capitalization—1,500 shares, 8 per cent., cumulative shares of $100 par value each and 8,500 common shares of par value of $100. Shares already issued: 220 preferred and 1,720 common.

Earnings—Company has paid dividend of 8 per cent. on preferred during past eight years.

Sales—For 1926-27 are estimated at $128,000. Now running at rate of $150,000 per annum. With addition to plant, are expected to reach $450,000.

Purpose of Issue—To enlarge present plant, purchase additional machinery and provide working capital.

Offered—Smith-Dalby-Welch and Co., in units of one preferred share and one common stock, at $150 per unit. Terms 50 per cent. of the full amount of the application, 25 per cent. on acceptance and the balance on or before Sept. 1, 1927.

Emigration from Canada to the United States continues to decline.

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August Dividend Payments

SUMMARY OF PAYMENTS

Dividends	$ 3,360,526
Bond interest	12,397,591
Total	$15,758,117

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Amer. Salesbook, pref.	1¾q	2	53,782
Arnold Bros., pref.	1¾q	1	8,500
B.C. Pulp, pref.	$1.75q	1	9.733
Belding Corticelli, com.	3s	1	22,485
Brompton, pref.	2q	15	40,000
Brading Breweries	50c.	15	12,500
Can. Bronze, pref.	$1.71q	1	21.000
Canada Cement, pref.	1¾q	16	183,750
Can. Converters	1¾q	15	30,335
Chase, A. W., pref.	2q	10	19,956
Christie Brown, com.	30cq	1	23,567
Do. pref.	1¾q	1	15,424
Cosmos Imp. Mills, pfd.	1¾q	15	25,750
Dom. Bridge	1q	15	65,000
Gosse Packing, pref.	1¾q	1	26,250
Hollinger Mines	2m	12	492,000
Humberstone Shoe, c.	50cq	1	5,000
Do. pref.	2q	1	6,000
Hotel Laurentian, pref.	3½s	1	14,000
Imperial Bank	3q	1	210,000
Int. Nickel, pref.	1½q	1	133,689
Inter. Paper, com.	60cq	15	60,000
Kelvinator, pref.	1¾q	16	13,805
Manufacturers Fin., pref.	4s	15	54,332
Massey-Harris, pref.	1¾q	15	211,572
Mortgage Corp. of N.S.	1½q	1	9,312
Nat. Brick, pref.	1½q	15	50,094
Ont. Steel, com.	1+1q	15	15,000
Do. pref.	1¾q	15	13,125
Penmans, com.	$1q	15	64,698
Do. pref.	1½q	15	16,125
Pure Food, pref. 1st	1¾q	1	2,625
Pure Gold Mfg.	50c	15	25,000
Quebec Davies, 1st pref.	1¾q	1	2,625
Russell Motor, pref.	1¾q	1	21,000
Stanfords, 1st pfd.	1¾q	1	8,750
Standard Bank	3q	1	144,702
St. Law. Flour, pref.	1¾q	1	21,000
Steel of Can., com.	1¾q	1	201,250
Do. pref.	1¾	1	113,864
Teck Hughes	10cq	1	474,714
Weyburn Sec. Bank	2½s	15	13,112
Western Trust	2s	1	20,100
Winnipeg Elec., com.	$1s	1	110,000
Wright Hargreaves	5cq	1	275,000
			$3,360,526

q—Quarterly.
s—Half-yearly.
m—Monthly.

Bond Interest Due in August

Company	Rate	Int. Date	Due	Amount
Abitibi	7	1	1927	$ 7,000
Abitibi Pulp	6	1	Serial	70,620
Abitibi Fibre	6	1	1947	120,000
Anticosti Corp.	6½	15	1941	195,000
A. P. W. Pulp	7	1	1945	28,000
B.C. Elec. Rly., deb. stk	5	15	1944	92,400
Bishop Realty	7	1	1947	10,500
Bloor-St. George Realty	7	15	1946	17,850
Canada Bread	6	1	1941	31,119
Canada Foundries	6	2	1942	6,717
Can. Nat. Rlys.	5	1	1954	1,250,000
Can. Steamships debs.	5	15	1943	113,197
Clyde & Sissiboo Pulp	6½	1	1943	16,250
Continental Paper	6½	1	1943	22,067
Dom. Telegraph Sec.	5½	2	1978	27,500
Famous Players	6½	1	1943	37,050
Holt Renfrew	6½	1	1937	17,712
Int. Tissue Mills	6	1	1935	8,670
Lincoln Pulp & Paper	7½	1	1942	36,300
Lower St. Law. Power	7	1	1947	26,250
Lyall Construction	6	1	1932	16,302
Maple Leaf Milling	6½	1	1943	61 653
Mexican L. & Pr.	5	1	1940	383,512
Mont. Rail & W. Term.	6½	1	1951	97,500
Mountain View Apt.	7	1	1946	10,500
National Grocers	6½	15	1932	64,122
Ottawa & Hull Pr.	6	1	1948	75,000
Ouellette Apt. Bldg.	7	2	Serial	1,575
Price Bros.	6	1	1943	450,000
Rogers, Wm. A.	6	1	1932	7,950
				3,202,316
Sub. Rapid Transit	5	1	1938	12,500
St. Maur. Power	6½	1	1953	325,000
Wayagamack	6	1	1951	127,542
Wolthausen Hat	7	1	1943	6,181
Corporation Bonds				$3,673,539
Municipal				x4,062,500
Provincial				x3,199,052
Dom. Loan (1926)	4½	1	1946	1,012,500
Do. (1926)	4½	1	1930	450,000
Total				$12,397,591

xFigure is determined by dividing by twelve the ultimate total interest payable during the year on these issues.

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BUTTER EXPORTS DROP ALARMINGLY DURING PAST YEAR

Centralized Marketing Is Greatly Needed in British Market

Butter exports from Canada dropped alarmingly in the twelve months ended June, 1927, as compared with the corresponding period a year ago. According to a bulletin prepared by the Department of Trade and Commerce, shipments of this commodity during the year just ended amounted to 97,732 cwt., as compared with 224,904 cwt. in the preceding year, a decrease of 127,172 cwt. Moreover, there was a similar decrease in the value of exports, which were registered at $8,518,423 a year ago, as compared with $3,331,466 in the twelve months ended June last.

Well over 70 per cent. of export shipments of Canadian butter are destined for the United Kingdom. There is also a widespread distribution to other markets, but individually they do not compare with that to the Old Country. The British coal strike in May of last year, disorganized the service of supplying foodstuffs from Canada. The serious curtailment in buying power of the English working classes forced the use of butter substitutes. While it was recognized at the time that Canada could not expect to resume regular shipments until conditions had become more normal. Over a year has passed since the commencement of the strike and eight months since the termination of the dispute, and English buying of late has been considerably less than in the period preceding the strike.

Several Possible Reasons

There are several possible reasons for this change in the attitude of the English buyer, namely, change in the quality of Canadian butter, lack of proper marketing facilities, curtailment of consumption, and competition from other producing countries. Taking these in their order, we find that the quality has been maintained. Most of the provinces have rigid grading laws in effect, which are supervised by government appointed inspectors. Moreover, the Federal Department of Agriculture has a measure of control over exports, so that shipments going forward to the United Kingdom or other markets leave this country in good condition.

While the per capita consumption of butter in Britain was undoubtedly less in 1926 and may be even smaller this year than in 1925, the decrease is not anything like that which the export figures would indicate. The supposition is that Canadian exporters are unable to meet the competition from New Zealand, Denmark, Australia, Ireland, and other countries supplying the British market with this product. Those countries have firmly entrenched themselves in the English market as producers of high quality butter, and, moreover, they are able to put their product on the market at a price, which makes it difficult for Canadian exporters to meet. This, in a large measure, is due to the fact that exports from this country are not handled through a central selling organization. Shipments are made to English brokers and demand in the Old Country necessarily depends upon the manner in which these agents push the sale of Canadian butter. Exports during the past year are indicative of the success of this method.

Central Agency Wanted

Cheese exports, during the same period, on the other hand, compare very favorably with shipments in 1925-6. This commodity is, of course, the "poor man's butter" and during times of economy, consumption naturally increases. Canadian cheese, unlike butter, has an excellent reputation on the other side, and the agents there find it profitable to handle the product. The natural inference then, is that more energetic measures should be taken to popularize Canadian butter in the United Kingdom and by this means regain for Canada, a market in which, at one time, she was the dominating influence.

This Week's Bond Sales

City of Hull

The City of Hull $202,000, 5 per cent. serial debentures were awarded to Dyment, Anderson & Co., at 99.392 at a cost to the city of approximately 5.04 per cent. Tenders follow:

Dyment, Anderson & Co.	99.392
A. E. Ames & Co.	99.19
McLeod, Young, Weir & Co.	98.17
Wood, Gundy & Co.	98.41
L. G. Beaubien & Co.	99.07
C. H. Burgess & Co.	98.10

Shawinigan Falls Issue

The Shawinigan Falls $88,500 5 per cent. serial bond issue was awarded to the Canadian Bank of Commerce at 99.42. The bonds were sold at a cost to the city of 5.04 per cent. The bids were:

Bank of Commerce	99.42
Beaubien & Co.	99.32
A. E. Ames & Co.	99.29
Dyment, Anderson & Co.	99.17
Credit Anglo-Francais and L. Normand	99.37
Wood, Gundy & Co.	99.20
McLeod, Young, Weir & Co.	99.16

Weston Debentures

An issue of $87,499, Town of Weston, local improvement debentures has been awarded to Dyment, Anderson & Co., at 98.912.

Shingle Mills on Coast Join for Selling Control

From Our Own Correspondent.

VANCOUVER.—The big merger of lumber interests in British Columbia foreshadowed in The Financial Post recently is beginning to materialize.

Two days after the announcement in this paper of plans for consolidating many individual producing units of the timber industry on the Pacific Coast, shingle manufacturers gave out plans for the formation of Consolidated Shingle Mills of British Columbia, Ltd. This organization will embrace at least 95 per cent. of the shingle mills of the province. Each shingle mill is interested in the enterprise to the extent of the value of its plant. The new organization will have supervision over manufacturing and selling. It hopes to cut down overhead expenses in both departments and by regulating the market put an end to ruinous competition.

The amalgamation is along the lines of a general movement in all producing branches of the timber industry to effect mergers for stabilization of the market and the assurance of a fair price.

The shingle industry's interests are different from those of the lumber business in general in that the international element is lacking. Whereas there is a sort of working agreement between the lumber mills of Washington, Oregon and British Columbia known as the Douglas fir area, the relations between the shingle producers of the Canadian and American side are not so friendly. Some of the United States shingle mills would like to see the Canadian mills out of the United States market altogether and every once in a while plead with Washington for a prohibitive tariff. If such a tariff were put into effect, the British Columbia shingle business would be paralyzed, for 90 per cent. of its output is marketed in American territory. But Washington legislators are apparently more interested in preventing a monopoly in shingles than in adopting a dog-in-the-manger policy against Canadian shingles and they regard the interests of the shingle buyers of the East as of more importance than those of the relatively small producing section in the American Northwest. This situation has so far made it possible for the British Columbia shingle business to continue existence on a fairly prosperous basis for a good many years and unless there should be unexpected reversal of official opinion at Washington this situation is not likely to be disturbed.

Dividends Declared

Company	Rate	Date	Record
Penmans, com.	$1	Aug. 15	Aug. 5
Do. pref.	1½%	Aug. 15	Aug. 5
McColl Bros. com.	20c.	Sept. 1	Aug. 15
Do. pref.	1¾%	Sept. 1	Aug. 15
Inter. Paper, com.	60c.	Aug. 15	Aug. 1
Bank of Toronto	3%	Sept. 1	Aug. 15
Royal Bank	3%	Sept. 1	July 30
Bank of Commerce	3%	Sept. 1	Aug. 16
McIntyre Mines	5%	Sept. 1	Aug. 1
Famous Players, pfd.	$2	Sept. 1	July 30
Brazilian Tr., com.	1½%	Sept. 1	July 30
Belding, pref.	1¾%	Sept. 15	Aug. 31
Para. Osh Theat. pf.	1¾%	Aug. 15	July 30
Can. Converters	1¾%	Aug. 15	July 30
Canada Cement, pfd.	1¾%	Aug. 16	July 31
Pure Gold Mfg.	50c.	Aug. 15	July 30
Brading Brew.	50c.	Aug. 15	July 30
Canada Bread, com.	$3	Sept. 1	Aug. 15
Lake of Woods, com.	3%	Sept. 1	Aug. 20
Do. pref.	1¾%	Sept. 1	Aug. 20
Massey-Harris, pfd.	1¾%	Aug. 15	July 30
Bank of Montreal	3%	Sept. 1	July 31
Hollinger Mines	2%	Aug. 12	July 27
Mansfield Theatre, pfd.	7%	Aug. 15	July 30
Ontario Steel, com.	1+1%	Aug. 15	Aug. 1
Do., pref.	1¾%	Aug. 15	Aug. 1

Stock Redemption

Dom. Rad. pfd. Sept. 1, 15,484 shs. at 101.75
McColl Bros., conv., preg. Sept. 1, at 107.50.

Tenders and By-laws

Aug. 4, Kenora—$138,773, 5 per cent., 26 and 30 instalment debentures. F. J. Hooper, treas. (See announcement on page 16).

August 2, Town of Ste. Agathe des Monts, P.Q.—$130,000, 5 per cent., serial bonds. R. Daze, Sec.

August 3, City of Joliette, P.Q.—$35,000, 5 per cent. 30 year serial bonds. A. L. Marsolais, sec.-treas.

August 20, United Townships of Mansefield and Pontefract, P.Q.—$15,000, 5½ per cent., serial debentures. D. J. Shea, sec.-treas.

Saskatchewan

Authorizations granted by the Local Government Board from July 9 to July 16, 1927:

Schools—Ridgeford, No. 1166, $2,000; Stranraer, No. 651, $6,000; St. Henry, R.C.S.D., No. 5, $16,000; Runnydale, No. 133, $2,000; Scotsguard, No. 3,444, $3,000; Mason, No. 2,449, $1,500; Onadenheim, No. 4,707, $4,500; Idanell, No. 4,705, $5,000; Jacobs, No. 1,170, $4,800; Davyroyd, No. 93, $5,500; Eagle Hills, R.T. Co., $1,200; Fielding R.T. Co., $500; Bruce, R. T. Co., $4,000; Tusford, R.T. Co., Ltd., $500; Perdue Village, $6,000.

Debentures Reported Sold

Benita, No. 4,674, $1,500, 10 years, 6½ per cent., Nay & James, Regina; Lily White, No 4,691, $3,000, 10 years, 5½ per cent., F. E. Watchler, Regina; Rocky Ledge, No. 4,671, $3,000, 15 years, 5¾ per cent., Houston & Willoughby, Regina; Doyle, No. 944, $800, 8 years, 5½ per cent., Regina P. S. Sinking Fund; Wheatheart, No. 2,983, $4,000, 15 years, 5½ per cent., Turner & Co., Regina; Colorado, No. 4,666, $3,000, 10 years, 5¾ per cent., Turner & Co., Regina; Kerrobert, R.T., $1,250, 15 years, 5½ per cent., C. C. Cross & Co., Regina; Orihoce, R.T. Co., $550, 10 years, 5¾ per cent., C. Cuse, Limerick; Duck Lake, R.T. Co., $6,000, 15 years, 5¾ per cent., C. C. Cross & Co., Regina; Tuxford Village, $765, 10 years, 6 per cent., C. C. Cross & Co., Regina.

CAPITAL CHANGE PURE FOOD STORES IS CONTEMPLATED

Reported That All Stock Will be Merged Into Common

Toronto financial houses say that Pure Food Stores will readjust its capital structure in the near future. No official information is forthcoming as to the proposed change. Mention is made of the calling in of the first preferred and the exchanging of the second preferred for no par common. At present, there are $150,000 first preferred, $200,000 second preferred and 11,500 common shares outstanding.

It is considered that the change in capital to no par common will be of much benefit to the company. In these days, it is essential for merchandising and distributing companies to get their stock in the hands of the public, not only on account of the creation of a better public attitude towards the company's operation but also on account of the widening of market for its products through the medium of customer-ownership. With only 11,500 common out, practically all of which is closely held, public interest is naturally limited, but by converting the preferred, the company will be in a good position to secure wide distribution of its stock.

Pure Food Stores have only been operating under a federal charter since 1922 and for three years before that as a partnership. Growth has been exceptionally rapid, although being confined to the cities of Montreal and Ottawa. Expansion has been taken care of out of earnings and through the public offering of preferred stock a short time ago. At present, the company has in operation about fifty stores, four of which are located in Ottawa and the balance in Montreal.

Business with the company this year is said to be even better than it was in 1926, and that net earnings have reached a high mark. For the year ended April 30, 1927, Pure Food showed an increase of over 20 per cent. in net profits, as compared with the fiscal year ended December 31, 1926. Net profits after all charges were $70,620 for the year ending April last, compared with $58,668 for the preceding fiscal year. The first preferred dividend was earned about six and three-quarters times, and a balance of $4.01 per share was shown as available for common. This compares with approximately $3 in the year previous.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1947	96⅝	97⅝
Abitibi P. & P. 6s, 1940	104⅛	105
Algoma Steel 5s, 1962	27½	28¾
Alberta Pac. Grain 6s, 1946	97	98
Bell Telephone 5s, 1955	101	101¾
Belgo Can. Paper, 6s, 1943	101	102
Brandram-Henderson, 6s, 1936	96¾	98½
B. C. Pulp & Paper 6s, 1950	87	91
Brompton P. & P. 6s, 1946	98¾	99¾
Burns, P. & Co., 6½s, 1943	102½	104
Calgary Brewery 5s, 1942	92	94
Calgary Power 5s, 1940	92¼	93½
Canada Biscuit, 6½s, 1946	102½	103¼
Canada Lt. & Pr. 5s, 1949	91¼	93
Can. Nor. Power, 6s, 1941	101⅜	102½
Can. Paperboard 7s, 1937	98½	100
Can. Steamships 5s, 1943	98⅜	99⅜
Can. Steamships 6s, 1941	98	98½
Can. Steel Foundries, 6s, 1936	104⅝	105¾
Davies, Wm., 6s, 1942	93½	95
Dominion Iron 5s, 1939	32	35
Dominion Pr. and Tr. 5s, 1932	96¾	97¾
Drummond Invest. 6½s, 1938	98¾	99½
Duke Price Pr. 6s. 1966	104⅜	105
East Kootenay Pr. 7s, 1942	103⅛	104½
Elec. Development 5s, 1933	100	100¾
Famous Players 6½s, 1943	98½	100
Fraser Co. 6s, 1950	98	98¾
Gatineau Power 5s, 1956	96	96⅝
Gatineau Power, 6s, 1941	100	100½
Howard Smith P. & P. 6s, 1941	103¼	104¼
International Paper 6s, 1941	97⅛	98½
King Edward Hotel 7s, 1944	90	93
Lake Superior P. & P. 6s, 1941	104⅝	105¾
Laurentian Pr. 6s, 1936	103½	105
Laurentide Pr. 5½s, 1946	100½	101½
Maritime Tel. & Tel. 6s. 1941	104	105
Manitoba Pr. 5½s, 1951	98½	99¾
Mercury Mills 6½s. 1942	100⅝	101⅜
Mont. L., H. & Pr. 5s, 1951	99⅝	100⅜
Mont. Pub. Service 5s, 1942	98¾	99¾
Nor Can. Pr. 6s, 1945	101	102½
Nor. Ont. L. & P. 6s, 1946	101	101⅞
Nor. West Utilities 7s, 1938	99	100
Nova Scotia Steel 5s, 1959	63	69
Nova Scotia 6% Debs.	30½	34
Nova Scotia Tram. 5s, 1946	91½	93½
Nova Scotia Tram. 7s, 1952	99	100½
Ont. Pulp & Paper 6s, 1931	108½	110
Ottawa Hull Pr. 6s, 1948	103	104½
Ottawa L., H. & Pr. 6s, 1953	103⅝	105
Ottawa Mont. Pr. 6½s, 1949	102⅛	103
Ottawa Trac. 5½s, 1955	100	101
Ottawa River Pr. 6½s, 1953	101½	102¼
Port Alfred P. & P. 6½s, 1943	100¼	101½
Price Bros. 6s, 1943	102¾	103¾
Prov. Lt. Pr. 5s, 1946	101	102
Rio Tramway 5s, 1935	95	96
Sao Paulo Tram. 5s, 1929	97⅞	98½
St. Lawrence Paper, 6s, 1946	96¼	97¾
St. Maurice Valley 6s, 1945	98¾	100
St. Maurice Pr. 6½s, 1953	107	107¾
Shawinigan W. & P. 6s, 1950	104½	105⅝
Simpson's, Ltd., 6½s, 1945	103	104
Southern Can. Pr. 5s, 1955	98¼	99
Spanish River P. & P. 8s, 1941	106½	107½
West Kootenay Pr. 6s, 1943	103⅛	105

CANADIAN OIL MAY ISSUE NEW STOCK IN FALL

(Continued from page 1)

ber of years ago to take over an existing business that failed to make good. The same group that controls National Refining Company of Cleveland took over the Canadian company and under their control it has blossomed and grown into a healthy enterprise ranking high among the refining and oil distributing enterprises of Canada.

Its Canadian refinery is at Petrolia, Ontario, but the company serves practically every part of Canada. It operates 72 branches and many service stations and also distributes through retail organizations not controlled.

Actual rate of earnings of the company cannot be determined as the company is only marginally more generous than Imperial Oil or British American Oil Company in giving information to shareholders. Last year, however, the company paid five per cent. dividends and still increased its reserve by a small amount. However, earnings are believed to have been much better than this would indicate. At the present time, common dividends are being paid at the rate of one per cent. per annum on the common shares which is the equivalent of six per cent. on the old stock. well over this figure and probably in Earnings are believed though to be the neighborhood of ten per cent. or about $1.50 a share.

Selling Around 25

In 1925, common stock hardly came out in trading and sold at 40. In 1926, it was slightly more active and reached a high of 60. The year 1926 saw a larger advance, from a low of 65 to a high of 105. During the present year the common shares sold as high as 150 and since the stock was split six for one has sold at fractionally under 25. There was a recent transaction at 21 but this is not regarded as indicating the market price of the stock which is offered at 24½. At this price the yield to the investor is only about 4 per cent. It is felt that the dividend could be easily be increased but the likelihood of such an increase is not regarded as strong. Dividends in the past have come slowly and so long as the company is continuing to expand and is therefore constantly in need of new capital, further dividend increases are likely to be resisted by the management.

Most of this common stock is closely held. About 40 per cent. is owned by the National Refining Company and very large blocks by interests controlling that company. Any stock that has been offered in recent months has been taken up by this group, it is stated.

Preferred shares of Canadian Oil were sold in Canada a number of years ago and have fairly wide distribution. They pay 8 per cent. dividend and have advanced from the 90's where they have hovered for the past few years, to the most recent sale at 121 where the yield is 6.61 per cent. This is a very satisfactory yield on an oil stock, although the limited dividend will set a limit to the possible price level.

Canadian directors of the company are Frank H. Littlefield, Toronto, who is vice-president and general manager, James Playfair of Midland, W. D. Ross, F. C. West and H. F. Hoacker, Toronto.

Frontenac Oil Refineries Sell Securities Soon

From Our Own Correspondent.

MONTREAL.—Further financing to the extent of $1,000,000 will, it is expected, be carried out shortly by Frontenac Oil Refineries. Since the organization of Frontenac Oil Refineries by John Irwin, of Montreal, and associates, progress has been made by this organization, which succeeded the Nations Oil Refineries. Further particulars regarding the financing will be forthcoming shortly.

RECENT ISSUES

Canadian National Railway
4½% Bonds - 1957
Price: 98.50 and interest to yield 4.60%

Bell Telephone Co. of Canada
5% Bonds - 1957
Price: 102.50 and interest to yield 4.85%

United Securities, Limited
5½% Bonds - 1952
Price: 100 and interest to yield 5½%

International Paper Company
7% Preferred Stock
Price: $100.00 per share

City of Sherbrooke, Quebec
4½% - 30 Year Serial Bonds
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BOND MOVEMENTS OF THE WEEK

Week Ending July 26

Bonds	Int. Rate	Due	Yield	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos (G. mtge.)	6	1956	6.51	83¾	81¼	94⅛	88	..	..	93⅜	92
Can. Cement (1st m.)	6	1929	5.64	103	100½	102¼	100	..	..	100½	..
Mtl. Trams.	5	1941	5.23	98½	93	99⅞	97⅞	98⅞	98⅛	97⅞	..
Quebec Rly.	5	1939	4.98	100	91⅛	100⅜	96	..	..	100⅜	99½
Wayagamack	6	1951	6.16	100⅝	90	100	97	99	..	98	..
War Loan	5	1931	4.70	100.40	100.35	101.85	100.75	101.30	101.00	101.10	......
Do.,	5	1937	4.50	104.95	102.75	104.25	102.95	..	103.75	104.25	104.10
Victory	5½	1927	4.90	102.50	100.15	101.00	99.85	100.40	100.20	100.25	100.05
Do.,	5½	1933	4.70	106.35	103.20	105.20	103.90	104.55	104.40	104.65	104.35
Do.,	5½	1934	4.97	104.40	102.65	104.10	103.00	103.20	103.10	103.60	103.05
Do.	5½	1937	4.55	103.90	106.70	108.20	106.90	107.95	107.70	108.00	
Do., renewal	5½	1927	4.75	101.95	100.00	100.80	99.90	100.25	100.05	100.15	100.00
Do., renewal	5½	1932	5.00	103.90	102.00	103.55	101.85	102.50	102.00	102.25	102.05
Do., refund	5	1928	4.85	101.35	99.00	101.45	99.75	100.25	100.00	100.25	100.05
Do., refund	4½	1940	4.55	96.95	95.60	100.05	96.60	98.75	98.00	98.80	98.45
Do., refund	5	1943	4.65	102.80	101.10	103.90	102.30	103.40	103.00	103.65	103.00
Do., refund	4½	1944	4.55	97.15	95.70	100.10	98.05	99.00	98.25	98.65	98.30
Do., refund	4½	1946	4.51	99.60	95.65	100.25	96.70	99.00	98.25	99.85	99.80

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Hull, Que.	July	Dyment, Anderson & Co.	5%	Serial	$202,000	99.392	5.04
Shawinigan Falls	July	Bank of Commerce	5%	Serial	88,500	99.42	5.04
Terrebonne, Que.	July	Versailles, Vidricaire & Boulais	5%	25-yr. ser.	95,800	....	...
Edmonton R.C. School	July	W. Ross Alger Corp.	5½%	....	50,000	101.05	...
Montmartre Village, Sask.	July	H. M. Turner & Co.	6%	10-yr.	2,000	....	...
Stoughton Village, Sask.	July	H. M. Turner & Co.	6%	15-yr.	4,000	....	...
Lanigan, Sask.	July	Houston, Willoughby	6%	15-yr.	16,500	....	...
Saskatchewan Schs. & Phones	July	Various	....	....	23,865	....	...
Chilliwack	July	Unknown	5%	10-yr.	23,256	....	...
Oak Bay Sch.	July	Unknown	5%	20-yr.	7,000	....	...
Weston	July	Dyment, Anderson & Co.	....	....	87,499	98.912	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Kamourska Hydro-Electric	July	Lagueux & Darveau	6%	15-yr. ser.	$200,000	100	6%
Queen's Park Plazza	July	United Bond Co.	....	....	875,000	....	...
Stock Issues—							
Jack Frost Ice Machine Co.	July	Smith, Dally, Welch & Co.	8%	Pref.	$100,000	100	...
Jack Frost Ice Machine Co.	July	Smith, Dally, Welch & Co.	....	Com.	100,000	100	...

(In units of 1 pref. and 1 com.)

Insurance for Buyer and Seller

Keeping Policyholder on Books is Big Task for Insurance People

Out of 1,000 Policies Sold Over 200 Lapse in Year

TREMENDOUS WASTE

Whole Effort of Companies Is Bent Towards Maintaining Policies in Good Standing

By KENNETH R. WILSON.

"The business that pays is the business that stays."

Although this slogan might well be applied to any business, it applies more particularly to the life insurance business than to anything else. For years the whole machinery of life insurance was devoted to the task of selling protection and policies, and to this end the entire energies of the profession were turned towards the production of new business. To-day, although production continues apace, and in fact increases at an ever-growing rate, a larger and larger share of company effort is being directed towards the conservation of the business already sold. Conservation is one of the biggest problems that confront the insurance companies at the present time and no stone is left unturned to keep the policyholder in the straight and narrow path of regular premium payment.

More Than Preventing Lapses

The term "conservation" as applied to the life insurance business, includes various activities, besides the more obvious one of preventing policies from lapsing. Conservation activities in most of the life insurance companies on this continent, include such things as, the prevention of loan indebtedness; the securing of loan repayments; the avoiding of lapses: the prevention of surrenders; and the replying to enquiries on the part of policyholders. The problem, of course, centres around the policyholder, but modern conservation activities go much deeper than that, and are based upon a realization that the cure for conservation rests primarily with the agency force of the company. To sell the policy properly is a much more satisfactory state of affairs than to have to re-sell the whole story of insurance after the policy has lapsed.

Over 200 Would Drop Out

Some idea of the magnitude of the lapsation problem can be gained from a perusal of the Canadian Male Table of Mortality and Discontinuances. This table shows clearly what happens to groups of policyholders of different ages over a twenty year period from the time they take out their policy.

Suppose 1,000 young men at age twenty, take out insurance. What will have happened to them at the end of the first year? In twelve months time, 23 of these men will have died, but no less than 270 of them will have discontinued their policies. At age 35 the record is not very much better, because of 1,000 new policyholders, 28 will have died at the end of the first year, and 250 will have discontinued their policies. An average discontinuance record of 26 per cent. for these two ages for the first year alone.

This record is nearly as bad with older men, for even at the age of 35, out of 1,000 men who take out policies, the end of the first year will show 250 discontinued. At age 50 only a few more will have learned the error of their ways, because even then, out of every 1,000 policies that are written, 232 will have been discontinued at the end of the first year.

After That It Is Better

After the first year has been safely navigated, the rate of discontinuances shows a very marked improvement. Taking our original group of men at age twenty, there will only be 727 of them surviving as policyholders by this time. At the end of the second year, two and a half of them will have died, and an additional 60 will have discontinued their policies. Following down the line, our policyholders who bought at 35 will have shrunk to 747, and at the end of the second year three of them will have died and 56 of them will have discontinued their policies by the end of the second year. Our policyholders who bought at 50 will behave just about the same way, except that six of them will die and 53 will discontinue.

Now comes the last final kick of the policyholder, and in the third year the rate of discontinuance shoots up far above the rate in the second year, only to decrease very rapidly in the fourth, fifth and sixth years. What then are the insurance companies doing to overcome this palpable human weakness of ours?

Best Sold Policies Stick

In the first place every company which has faced the matter, realizes that the problem is ultimately one that concerns the agent—an individual as much as a company problem. A conference was held some time ago in Chicago to discuss the whole question and the various reasons for lapsation were tabulated and discussed. Broadly, the concensus of opinion was, that properly placed insurance (in the fullest sense of the phrase) was not only to a small degree susceptible to lapse.

Accordingly the primary campaign of a company is among its agents, superintendents and managers. Three general divisions might be made, by way of classifying the various important elements surrounding lapsation. First the importance to the policyholder. Secondly, the importance to the company. Thirdly, the importance to the agent, or manager himself. Each of these fields presents an important line of endeavor, and all have as their objective the task of providing the underwriter with definite weapons with which he can attack the indifference that he must inevitably encounter on the part of the actual or prospective policyholder.

In addition to this continual campaign that must be carried on by way of educating its own men, the company must at the same time tend and nourish each new brood of policyholders, especially during the first three years of their existence. In any well-ordered insurance incubator, series of letters will immediately be dispatched to the newly-hatched policyholder, congratulating him upon behalf of the president and officers of the company, upon having taken this very important step in his young life. Booklets upon health, and subjects kindred to life insurance, will be sent also, and as soon as the time for the payment of the second premium appears on the horizon, more letters will be sent, dwelling upon the advantages of his policy and the importance of keeping it at all times in first-class condition.

Personal Calls Help

One plan which is operated with considerable success by one of the Canadian companies, has for its object the bringing together of underwriter and policyholder, just about the time the second premium falls due. The plan involves a personal call upon the prospect, by the agent who made the original sale. It has the dual object of sustaining the policyholder's interest in his insurance at a time when he is most liable to need some moral support, and also of enabling the underwriter to discuss with the policyholder, the question of additional insurance. The call is usually made about the time that the second premium is due, and either the head or the branch office of the company takes upon itself the responsibility of keeping the underwriter informed when these prospects for additional insurance should be approached.

Everyone Gets Busy

Suppose, however, that the policyholder has fallen from grace, and that his policy has lapsed. Immediately the whole machinery of the organization is focused upon him, and judging by the batteries of postal ammunition that are stored in most conservation offices, his morning mail need never lack for stimulating literature, for at least the next three years.

One of the most valuable devices that has been in common use in Canada for some time, is the re-dating plan which is now very generally used by at least the three Anglo-Saxon countries. The plan is exceedingly simple in operation, and means in effect, the cancelation of any arrears on a lapsed policy, and the creation of a new policy which gives credit for the number of years in which the lapsed policy had been in force.

Suppose the ubiquitous Mr. Jones had taken out a policy three years ago. Suppose now that the premium on this policy was paid for two years, and then the policy lapsed. The re-dating plan, if put into effect now, would wipe out the one year of arrears due on the old policy, and would give Jones a new policy upon which two premiums had already been paid. The only penalty would be that all future premiums paid by Jones would be at the premium rate based on his age at the time the new policy was issued.

Learning From Canada

This plan was originally adopted in England, and for some time now has been followed by most of the Canadian companies. At first it was adopted simultaneously in Canada by three of the larger companies, but it was not until comparatively recently that the scheme was introduced into the United States. All of a sudden the American companies realized that the Canadians were practising an exceedingly simple remedy for an old disease, whereupon the Canadian companies that were putting the plan into effect, were besieged with requests for the details, by the companies across the line.

This is Loss Insurance Companies Face

If to-day 10,000 men, age 30, take out policies,
End of 1st year, 2,550 will discontinue, and 25 will die, leaving 7,424
End of 2nd year, 575 will discontinue, and 26 will die, leaving 6,822
End of 3rd year, 733 will discontinue, and 26 will die, leaving 6,063
End of 4th year, 379 will discontinue, and 24 will die, leaving 5,659

Life Insurance Sales in Canada*

	1922 $	1923 $	1924 $	1925 $	1926 $	1927 $
January	27,432,000	28,108,000	30,673,000	30,838,000	33,907,000	36,986,000
February	26,023,000	25,409,000	30,704,000	28,698,000	34,744,000	35,525,000
March	27,516,000	28,142,000	34,383,000	35,001,000	40,483,000	42,883,000
April	26,547,000	29,966,000	32,603,000	35,872,000	37,346,000	41,631,000
May	30,413,000	29,762,000	33,368,000	34,377,000	37,703,000	44,553,000
June	33,437,000	31,865,000	34,295,000	42,307,000	44,634,000	45,298,000
July	26,119,000	31,539,000	33,205,000	37,671,000	40,101,000	....
August	26,720,000	31,065,000	27,983,000	31,724,000	36,010,000	....
September	25,081,000	25,979,000	30,029,000	33,543,000	34,878,000	....
October	29,102,000	33,470,000	32,483,000	36,259,000	40,226,000	....
November	29,664,000	34,165,000	34,357,000	36,760,000	44,251,000	....
December	32,995,000	37,377,000	37,120,000	41,822,000	46,777,000	....

Total, 1927, six months $246,876,000
Total, 1926, six months 228,817,000

Increase to date, 8% $18,059,000

*Companies having in force 84 per cent. of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Insurance Inquiries

General Insurance

I would appreciate some information on the General Insurance Company of America.

Last December the General Insurance Company of America was licensed to transact the business of fire insurance in Canada. In the six months that it has been operating in this country it appears to have established itself as an important factor in the fire insurance business. At the present moment however its chief claim to fame is the fact that it is the only joint stock fire insurance company in the world which sells business on a participating basis.

The company was organized in 1923 with head office in Seattle, and was financed by the issue of $1,000,000 of capital stock, fully paid up which was offered at a premium of 100%. After a little more than three years of operation, the company now shows a reinsurance reserve of $1,744,012, and a net surplus of $1,004,071.

Thus the company has built up out of net profits, a reserve of more than one and a half millions of dollars, while at the same time maintaining capital account intact and even adding a small amount to surplus.

The net premium income of the company in 1926 amounted to $3,000,000. This business has been built up on the basis of a profit-participating policy. The dividend disbursement under these policies at the present time is 20%. This is about 5% less than similar dividends paid by mutual companies on general business.

The head office of the company in Canada is in Hamilton.

Million Dollar Club Numbers No Millionaires

Something unique in the way of a service club, is the organization which meets in Toronto every Monday under the title of the "Million Dollar Club." Millionaires? No, nor yet insurance agents. As a matter of fact, this club is comprised entirely of policyholders of the Independent Order of Foresters. The club has weekly luncheon meetings for its members, and in addition carries on active work among crippled and orphaned children.

The basis of membership in the club is that each man shall carry at least $5,000 of insurance in the I.O.F. Thus, besides its philanthropic work, the organization achieves the object of furthering fraternalism among the society's membership. The idea was launched last March, and the steady growth in membership seems to point to continued success in the future.

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Canadian Bronze Shares Now Listed in Montreal

From Our Own Correspondent.

MONTREAL.—The preferred and common shares of the Canadian Bronze Company have been listed and are now being traded on the Montreal Stock Exchange. The company has outstanding 40,000 common shares of no-par value and 12,500, cumulative, 7 per cent., preferred shares of $100 par value. The shares of this newcomer to Canadian investors were first offered publicly within recent date, and for some time past the stock has been traded in on the unlisted department of the Montreal Curb Market.

For the current year to date, the business of the company has been larger than for the corresponding period of a year ago. Thus the forecasts made at the time the shares were sold to the public have been fulfilled.

National Breweries Sell Unused Lachine Plant

From Our Own Correspondent.

MONTREAL. — It is understood that the National Breweries has sold its plant at Lachine, P. Q., to the National Distilling Company. The purchaser will equip the plant as a distillery. The Lachine plant of National Breweries was the original Dawes brewery established in 1811, and in recent years has been used only for storage purposes. The company's business is being maintained at a high level, but, in keeping with the general market tone, there have been but few transactions in the shares. The sale of what was practically an unused asset by the company can only be regarded as a constructive feature in its operations.

Adds Two Directors

MONTREAL. — James Yates, general treasurer of Canadian National Railways, and Charles B. Howard, M.P. for Sherbrooke, have joined the board of directors of Diversified Standard Securities, an investment trust, specializing in securities of the Standard Oil Companies and their subsidiaries.

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Build Big Addition to Goodrich Factory

One result of the supply of new capital to the Canadian Goodrich Co. by the parent B. F. Goodrich Co. is seen in the plans for the expansion of the Kitchener plant of the company. Contracts are being let for a new addition to the factory building to cost about $150,000. New plant will be three stories high, 132 by 100 feet.

Recently B. F. Goodrich Co. advanced $1,000,000 to the Canadian Goodrich Co., taking in exchange common stock at $25 a share. In return for this new interest, bondholders and preferred stockholders accepted a reduction in their claims.

New Record Is Certain in Insurance Sales

Life insurance sales in Canada are on their way to a new record according to the June report of the Life Insurance Sales Research Bureau of Hartford. The June figure of $45,298,000 is only a few millions behind the high record for all times which was established during last December.

The gratifying feature of the report, which covers the six month period ending June, 1927, is that the Maritime provinces are leading the advance. New Brunswick leads the provinces for the month of June, while the three Maritime provinces are the leaders for the six month period. This increased interest in life insurance augurs well for conditions in the three sister provinces by the sea.

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97

Current Events in Banking World

"CIVIC HOLIDAY" DOES NOT RELIEVE NOTE OF PROTEST

This is General Practice Followed in Canadian Banks

Civic holidays are widely observed in the different towns and cities in Canada during the summer season. These holidays are not statutory holidays and consequently are in legal terms juridicial or business days. The custom is not very old, as measured by years, but is at least old enough to have definitely established the rights of parties in regard to notes due that day.

What is Official Ruling?

The following question and answer from Canadian Banking Practice, issued by the Canadian Bankers Association, is the official statement in the matter.

Question—What holidays may a bank observe?

In the case of a civic holiday where all the banks in the place, finding by 12 o'clock that the bills they hold have all been arranged for, close their offices at that hour, what is the result if some private holder of a bill due that day, or of a cheque, presents the same after the bank is closed, and is thereby dishonored?

Answer—Banks in Canada may legally observe any holiday they choose to keep, providing that in closing up their offices they are not breaking their contract with their customers, which may be expressed or implied. A bank which opens a current account in effect agrees with the customer that it will be ready to honor his cheques to the amount of his credit balance, if presented within the ordinary business hours, recognized among bankers. If it should, without notice, decide not to open or not to keep open the office on any particular business day, and the customers' cheques should thereby be dishonored, we think it should be liable to him for damage.

The existing practice among banks of keeping someone in the office on holidays, which are not statutory holidays, to answer demands such as the above, seems to imply an understanding in this point which amounts to a contract, but this may be modified, on reasonable notice to any degree. We would think it reasonable that banks in common with their neighbors, should keep the local holidays, and that it should be understood that, as soon as all notes and acceptances due have been arranged, the offices will be closed for the day. The closing of the offices on any day after reasonable notice involves no responsibility.

Must Protest When Called for

The general practice seems to be to present all bills and acceptances due at banks that day, and to protest as usual any unpaid bill ordinarily calling for protest, but as the business offices are closed that day, bills made payable there, are held over until the following day, except in the case of bills which call for protest, and these, of course, must be protested in order to to hold the endorser liable. That it is necessary to protest such bills is not the fault of the bank, but of the maker and the endorser, the former by neglecting to arrange for it, the latter because he has definitely notified the bank that he holds it responsible, and to protect itself, the bank must either take the necessary legal steps or the endorser will be released.

The acceptor is within his rights when he accepts a bill payable at his office instead of at his bank, but if he chooses to close his office on the day the bill matures and a protest results, it is his own fault.

Over 27,000 Banks Shown To Exist in United States

In the United States on March 23, 1927, there was a total of 27,425 banks of which 19,597 were State Banks and 7,828 National Banks, and in round numbers a total capital, surplus and undivided profits of $7,767,241,051, total deposits of $55,474,233,564, and total resources of $65,745,808,611. Total deposits of all banks were $1,182,399,591 above the previous high record of April 12, 1926, and total resources $1,746,355,720 above resources of that date.

On March 23, 1927, in round numbers the capital, surplus and undivided profits of the State Banks were $4,547,270,051, and of the National Banks $3,219,971,000, showing the capital resources of the State Banks to be 41% in excess of the National Banks. The deposits of the State Banks were $34,562,024,564, and of the National Banks $20,912,209,000, showing the deposits of the State Banks 65% in excess of the National Banks. The total resources of the State Banks were $40,046,661,611, and of the National Banks $25,699,147,000, showing the resources of the State Banks 55% in excess of the National Banks.

Figures have been compiled by R. N. Sims, vice-president Hifernia Bank of New Orleans.

Mansfield Theatre Starts Its Dividend Payments

From Our Own Correspondent.

MONTREAL.—A much more favorable earning position is reflected in the recent declaration of a seven per cent. dividend on the preferred stock of the Mansfield Theatre Company. This is in payment of dividend and arrears. The dividend, which is payable 15 August, to shareholders on record July 30, has long been awaited, and its payment will remove a good deal of the doubt that has been centering around this company.

It is well known that the Mansfield company which is controlled by Famous Players Corporation has not been having an easy time. But, according to the secretary, Thos. J. Bragg, conditions have changed and the business being done by the company has vastly improved. This made possible the dividend declaration.

Even yet, however, the company is 10½ per cent. behind in its preferred dividends. But with improved earnings, a further diminution of this amount may be looked for.

Fur Animals Exported

A shipment of stone marten was made recently to the United States Experimental Fur Farm in New York State, the animals having been caught wild in the Lake Windermere district of British Columbia.

Banks and Banking

An Historical Sketch by PROF. A. STANLEY WALKER, Halifax.

Fourth Article in Series Tells History of Banking Development in United States — Early Troubles Were Prelude to Establishment of National System

While England was luxuriating in the settlement of the minutiae of regulations affecting paper money and provisions for its convertibility into specie, the problem overseas in newly-settled countries gave a variant, namely, how first to get a currency at all, and then how to adopt it and expand it to meet the needs of a rapidly growing industrial community. The onus of experiment fell upon the United States, the earliest of English-speaking settlements, and there the common method, unhappily, lay in tremendous issues of unsupported paper, followed by natural depreciations—an error which Canada, developing later, was able, through careful observation, to avoid.

Early American Experiments

If we disregard the early days of the Bank of Pennsylvania (1780) and of the Bank of North America (1782) and examine the United States system after the War of Independence, we find a first attempt to erect a system based, to some extent, upon the English model of establishing a National Bank. There was no specific right given by the constitution permitting Congress to incorporate a bank, out such a right was deduced from the general clause allowing Congress to exercise any powers necessary for carrying out rights in general granted to it. Accordingly, in 1791, the First National Bank of the United States was founded by Alexander Hamilton, Secretary of the Treasury, with a monopoly for twenty years and a capital of $10,000,000, of which the government subscribed one-fifth, though it disposed of this holding at a profit of over $600,000 by 1802. This bank performed useful functions for the United States government and for commerce generally, but it aroused jealously. It was a Federalist foundation, and so was opposed by the Republicans who charged it unjustly with being an aristocratic institution under foreign influence. Party politics defeated financial sense, and in 1811 the bank was put into liquidation as a thriving concern, the shareholders being paid off at $434 for each $400 share.

State Banks Spring Up

The result was a rapid increase in the number of state banks which were granted charters in many instances for political services and created merely to issue notes. In the war in 1812 the government was forced to rely on such institutions. Inflation ensued, until the state banks suspended specie payments in 1814, though they continued to flood the country with depreciated notes for denominations as low as six cents! The fact that even the U. S. government had to suspend payment of interest on its bonds led, in 1816, to the incorporation of the Second National Bank of the United States. Its beginnings were unpropitious, but by 1829 its currency was acknowledged to be as sound as could be expected under any system of paper money. Note issues were contracted to one-third of what they had been in 1819, and the bank was a serviceable bulwark to government and commerce alike. But the private exchangers who trafficked in state bank paper hated it; the state banks themselves dubbed it the "monster" which absorbed their specie, and, worst of all, it became involved, as did its predecessor, in party politics. Andrew Jackson, representing the spirit of the West, where the bank was especially unpopular, brought the weight of the Democratic party against it. In his presidential message to Congress he attacked the law incorporating the bank as unconstitutional and inexpedient. Nevertheless, since on formal examination the bank was proven solid and well-conducted, Jackson failed to undermine it by straight-forward attack. He therefore withdrew from its vaults all public funds and so crippled it. In 1836 the bank's charter was not renewed.

(Continued on page 16)

You Can Get These Articles in Pamphlet

There will be five articles in this series by Prof. A. Stanley Walker of Dalhousie University, Halifax. It is proposed to reprint them in a small pamphlet, in order that bank managers and others, desiring to keep them, may have them in convenient form for filing. You may have a copy of the reprint by sending ten cents in postage stamps as a nominal sum to cover cost of handling. Address, editor, Bank Managers Page, The Financial Post, 143 University Avenue, Toronto.

Staff Gossip

S. Bramwell, of the staff of the Canadian Bank of Commerce, has left for Kenton, to which place he has been transferred. — Graphic, Portage La Prairie.

After thirty years as manager for the Bank of Montreal in Winnipeg and fifty-three years in the bank's employ, Mr. McGachen is retiring.

Imperial Bank of Canada announces these staff appointments:

R. M. Lambe, formerly accountant, Wilkie, has been appointed manager, Hague, Sask.

R. H. Oldham, formerly accountant-in-charge, Hague, has been appointed accountant, Wilkie, Sask.

T. R. Merritt, formerly teller-accountant, Thorold, Ont., has been appointed accountant, East End, St. Catharines.

W. H. Meacher, formerly accountant, E. E. St. Catharines, has been appointed accountant, Preston, vice H. E. Ott, resigned.

G. Lunan, formerly receiving teller at Yonge and Queen, has been appointed acting accountant, Yonge and Ann.

K. H. Love, formerly accountant, Yonge and Ann, is now relieving Toronto city managers.

H. F. Wallace, formerly of Princeton, has been transferred to the staff of the local branch of the Canadian Bank of Commerce.—Citizen, Prince George.

Royal Opens Branches

The Royal Bank has opened two new branches, one at Arvida, Que., and one at Smooth Rock Falls, Ont.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	July 22, 1926	July 21, 1927
Halifax	$ 3,743,135	$ 3,224,043
St. John	2,815,533	2,652,310
Moncton	862,159	982,505
Sherbrooke	981,980	1,035,623
Quebec	5,690,374	7,197,373
Montreal	100,560,123	111,089,482
Ottawa	6,980,826	7,428,589
Kingston	717,110	893,104
Peterboro	......	831,407
Toronto	96,573,449	104,430,981
Hamilton	5,878,046	5,644,355
Brantford	1,084,772	1,282,536
London	2,827,904	3,073,780
Kitchener	971,708	1,151,873
Windsor	4,575,251	......

Western Cities

	July 22, 1926	July 21, 1927
Fort William	$ 1,066,741	$ 1,024,180
Winnipeg	44,457,171	44,397,790
Brandon	648,490	645,526
Regina	3,953,562	4,188,755
Moose Jaw	1,175,221	1,241,140
Saskatoon	1,185,611	2,195,253
Prince Albert	332,114	390,696
Lethbridge	......	581,992
Calgary	5,772,057	6,734,901
Edmonton	5,034,539	5,726,046
Medicine Hat	301,285	290,370
New Westminster	737,219	854,031
Vancouver	17,544,078	17,848,819
Victoria	2,553,769	2,972,434

Bank of Commerce Opens Branch

A branch of the Canadian Bank of Commerce was opened in Vancouver in premises situated near the southwest corner of Broadway and MacKenzie Street, the centre of an area which during the past few years has shown rapid growth.

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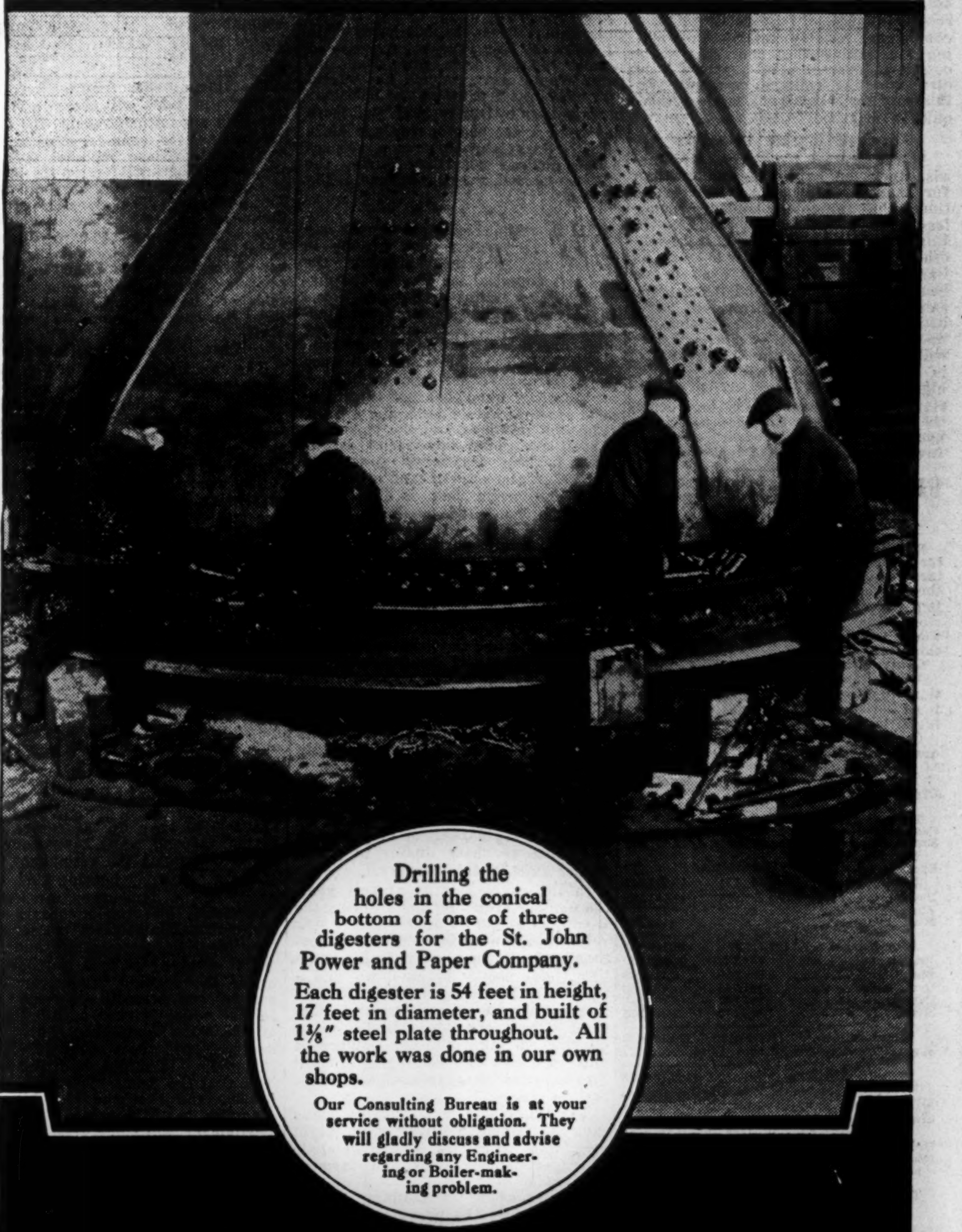

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PESSIMISM OVER SALMON SITUATION NOT WARRANTED

Another Two Weeks Before Returns Are In

MARKETS ARE GOOD

It will be at least two weeks before any accurate idea may be obtained of the extent of the salmon catch on the British Columbia coast this year. A number of reports have been received from the West in the last few days painting gloomy pictures of the poor run of salmon, but the fact has been overlooked that the run this year is from one week to ten days later than usual. Consequently, the peak of fishing operations will not be reached until August 4th, and it will not be until a week later before a reasonable estimate of the catch can be made.

Holders of stock in fish companies need have no fear to worry over the present situation, according to Aemilius Jarvis, president of the British Columbia Packing & Fishing Co. "No one expects a catch like last year," he said, "it having been the largest on record. Nor is there any reason to fear that fishing this year will be below average. Take the case of our own company. We have plants located all along the British Columbia coast line from the Fraser River up to the Alaska Boundary, on Vancouver Island, and some of the northern islands. The run does not start at each of these points at the same time. Moreover, the different types of salmon came up at irregular periods, so that while the Fraser River plants are working to capacity at the present time, our northern plants have not yet started operations.

Skeena Catch Good

"As far as the Fraser River run is concerned, there is no need for pessimism. The catch will undoubtedly be smaller than last year, but the latest report from our manager in Vancouver states that the Skeena catch was as good as last year, while some of the lower grades have been very heavy. The mild-cured pack this year, by the way, is the largest we have ever had."

Marketing of the salmon is one of the greatest problems confronting the industry. Last year was a prosperous one, as the carry-over of stocks from 1925 had been very small, and little trouble was experienced in disposing of the record 1926 catch. Instead of flooding the market, as soon as the salmon was ready to ship, the majority of the companies, notably the B. C. Fishing & Packing Co., now ship their output to central points, where it is distributed as demand warrants. In this way the whole pack is easily and quickly absorbed.

Excellent Market Prospects

At the present time, says Mr. Jarvis, stocks on hand are smaller than for many years past at the same time, the estimated holdover being less than 30,000 cases. Markets in England, France, Scotland, Italy and other European countries, as well as Canada and Australia, are in a healthy state and whether or not the catch this year is as large as in 1926, little trouble is expected in clearing up stocks in short order. Prices will be set about August 16th, and it is likely that they will be slightly higher than last year. With higher returns and lower operating costs, the expectation is that net profits of packing companies will compare favorably with those of last year.

FEDERAL REVENUES SHOW BIG INCREASE

Revenue of Canada for the first quarter of the current fiscal year showed an increase of $7,500,000, giving strength to the forecast of Hon. W. D. Euler, whose Department of National Revenue collects most of the taxes, that national income would increase $30,000,000 to $40,000,000 this year.

Contributing factors in the larger revenues are buoyant business conditions improved method of collecting customs duties and sales taxes, and stimulus of lower income tax rates.

Comparative revenues for the first quarter of 1926 and of 1927 follow:

Ordinary revenue	Total Apl. 1 to June 30, 1926-27	Total Apl. 1 to June 30, 1927-28
Taxation revenue—		
Customs duties ...	$ 35,218,776	$ 40,426,326
Excise duties	11,294,039	12,831,471
War tax revenue—		
Excise taxes (Sales, st'ps, etc.)	18,362,851	15,517,500
Income tax	37,709,015	41,194,852
Business pr. tax ..	120,740	157,097
Misc. tax	5,901	19,007
Total taxes ..	102,711,324	110,146,257
Int. on invest.	634,432	659,172
Post Office	6,900,000	6,719,465
Dom. lands	851,765	785,492
Can. grain act	225,067	409,840
Misc.	1,398,512	1,444,655
Total ord. rev.	112,721,102	120,164,883
Spec. rec. and credits on cons. funds..........		
Total	$112,721,102	$120,164,883

Expenditures were less in the period although ordinary expenditure shows increase. Figures follow:

	3 months 1926	3 months 1927
Ordinary	$72,061,079	$75,470,929
Special, capital and non-active	8,686,235	3,219,799
Total	$80,747,314	$78,690,728

NATION'S BUSINESS

(Continued from page 1)

Cotton Growers Corporation, the Zionist Organization and various Dominion governments having allotted £230,000 in contributions this year.

Upon the raw material of the various reports of the Imperial Economic Committee, the board has already, according to a writer in the London Times, erected an imposing fabric of scientific research and economic investigation. Its method, more particularly under the first head, has been to fortify existing laborers in these fields, and not itself to engage in the work. The groundwork is now complete for a co-ordinated attack upon the various agencies which sap productivity, and practical results of most vivid interest are already forthcoming.

* * *

A CONTINUATION of general prosperity and business activity during the balance of the year and during the first half of next year, depends largely upon the return for farm operations this year. The government's preliminary estimate early in the month on the probable yields of the more important grains was under that issued at the same time last year. While growing conditions in the next six or eight weeks will have a decided influence on the ultimate outcome, there is every reason to expect a favorable yield, provided that no serious setback takes place between now and harvesting.

To the manufacturer in the East, the purchasing power of the Western farmer is of great importance. The Prairie Provinces are a market of no little value to textile manufacturers, implement makers, furniture producers, etc., and any diminution in the purchasing power of the Western farmer is reflected in the earning power of the manufacturer and distributors. In 1922, 1923 and 1924, the Western farmers contracted many debts and it was not until the big crop of 1925 that they were able to clear off their obligations. Last year saw a return to the extensive buying which so characterizes the West after a good crop year, and another good crop this year will see the Western farmer "sitting pretty."

* * *

SOME idea of the tremendous purchasing power of the Prairie farmer may be gleaned from a survey of the gross agricultural revenue of Manitoba, Saskatchewan and Alberta in the past three years. In 1924, income from all sources totalled $636,419,000 of which Manitoba accounted for $159,568,000; Saskatchewan, $279,555,000; and Alberta $197,296,000. The following year, revenue increased sharply to $799,751,000, of which sum Alberta contributed $244,162,000; Saskatchewan, $413,874,000 and Manitoba $141,715,000. Although returns were not so voluminous last year, revenue was well above the average, amounting to $766,629,000, divided as follows: Saskatchewan, $364,840,000; Alberta, $254,739,000; and Manitoba, $147,050,000.

Returns during the past six years, have displayed certain tendencies, which have had and will have a more important effect on the marketing of goods in the Prairie Provinces. The gross agricultural revenue of Alberta, for example, has increased very rapidly, returns in 1920 having totaled only $120,762,000, as compared with $254,739,000 last year, an increase of almost 100 per cent. Manitoba's income from farm products has varied and although production in 1926 was more valuable than in 1921, yet there has been a decrease in revenue since 1924. Saskatchewan's crop returns have remained consistent during the six-year period, ranging around $325,000,000.

* * *

THUS, while Saskatchewan to-day has the largest cash income in the West, Alberta represents the greatest potential market for the disposition of manufactured goods, based on the per capita income from agricultural effort. Manitoba is turning more and more towards an industrial province, and is depending less upon agricultural revenue. Saskatchewan, on the other hand, has not the likelihood of immediately becoming a great industrial producer and the income of her citizens must necessarily depend upon farming for many years yet. Until a greater area of land is brought under cultivation, there is little likelihood of any marked expansion in this market. Alberta, however, is in a more fortunate position. Manufacturing in that province is increasing in importance, while coal mining, lumbering, fishing, represent important sources of revenue. Purchasing power is not so dependent upon agricultural returns and the greater diversity of farm operations ensures a steady and reliable income.

* * *

REITERATING the need of additional population in Canada seems superfluous at times. No one will deny that the Dominion has all the population it needs. The government has been urged time and again to stimulate the movement of immigrants, by easing the regulations or in providing assistance to those unable to get a proper start in this country.

In the early months of this year, the number of newcomers entering the Dominion began to approach pre war volume, but owing to a series of unfortunate events the machinery for handling these people broke down and a temporary halt was called on the further movement of continental Europeans. Objections were raised in many quarters in regard to the number of untrained men who were being brought into the country, supposedly as skilled farm workers.

The suggestion is now being made that the Canadian Government might very well utilize its wonderful chain of experimental farms and farming stations located across the Dominion for the purpose of training British settlers, while the provincial governments could arrange for short courses at the publicly supported agricultural colleges. At present, the Federal Government operate 24 experimental farms and stations and nine sub-stations. With the exception of Prince Edward Island and New Brunswick all the provinces operate one or more agricultural colleges.

* * *

THE overhead expense in connection with the operation of these institutions practically precludes the possibility of any of them being operated without a loss. During the winter time, demonstration farms and stations could be very profitably used in training unskilled workers in Canadian farming methods. Overhead expense would not be any greater. The cost of providing board and lodgings, would either be borne by the students on a cost basis, or the money loaned to them by the government, to be repaid over a term of years.

The utilization of this equipment in supplementing the work of the English training schools, would undoubtedly prove valuable in providing Canada with a large number of skilled farm workers. The cost of this educational programme would not be onerous. Moreover, part of the money that the Department of Immigration and Colonization now spends on advertising and literature, might well be utilized for this purpose.

* * *

IT IS recognized by all interested in this work that Canada can no longer expect to get any large numbers of experienced farmers or farm hands. This applies particularly to Britishers. To overcome this obstacle, the Imperial Government and other private agencies have established a number of farm training schools in England. These institutions are doing good work, but, unfortunately, they are not in a position to handle more than a few hundred during the course of a year. Moreover, there is the enormous expense of securing suitable training grounds, erecting the necessary buildings, stocking the farm with equipment and animals, and providing adequate remuneration for instructors.

OTTAWA SPENDS OVER TWO MLLION DOLLARS ON LAW AND TALK

(Continued from page 1)

Senate maintains its own post office, about ten feet away from a post office maintained by the Commons, at a cost of $3,780 per annum.

Spending Million on Commons

The Library of Parliament this year will cost $76,860, itemized as follows: salaries $48,860; books for the general library, including binding, $18,000; books for the library of American history $1,000; contingencies $12,000; printing reports $1,000.

The House of Commons will spend $1,014,000 in the fiscal year 1927-28 under the following headings: salary of Speaker $6,000; salary of deputy speaker $4,000; members' indemnities $990,000; traveling allowances $14,000.

Summarized, the parliamentary expenditure for the current year is:

Senate	$ 163,155
House of Commons	628,091
Library	76,860
General	75,000
Amount voted	$ 943,106
Authorized by statute	1,409,000
Total	$2,352,106

The large sum "authorized by statute" includes all those officials who hold appointment under the Civil Service Act or some special act of parliament. These include, for example, the 27 translators on the House of Commons Staff who are paid $87,000 annually. The Speaker of the Commons receives $13,000 a year. This is made up of $6,000 salary as Speaker, $4,000 indemnity as a member of the House and $3,000 in lieu of residence, the tradition being that the Speaker should reside in the building. He has, of course, a personal staff.

What It Costs For Hansard

The reporting branch of the Commons employs 15 persons and costs $46,000. This includes both the daily Hansard and committee reporting, as well as typists and copy readers, and it is one of the most efficient services in the entire legislative machine.

There are two employees in the stationery branch of the Commons, one at $2,800 a year and the other at $1,800, but the stationery bill for the year is $28,000.

Clerical assistance and committee expenses make up the striking total of $100,000. Clerical assistance to the Speaker, the party whips, the party leaders and others comes to $38,000. This is exclusive of the stenographic and typewriting service supplied to members. A special staff is maintained for this purpose at a cost of $45,000. For committee expenses including the summoning of witnesses and such matters $17,000 is provided.

Keeping Members in Order

The department of the Sergeant at Arms of the House of Commons costs $187,000 to keep up. It covers some permanent and many temporary employees. Among the permanent there exists a hierarchy bearing such titles as "chief parliamentary messenger," "assistant chief parliamentary messenger," parliamentary messengers," "confidential messengers," and "sessional messengers." A further item under the heading "temporary messengers and protective service" (uniformed police) carries with it the sum of $38,000. "Temporary char women as required" cost Canada $23,956 this year. It might be pointed out here that the Senate char service cost $14,000 and that the scrubbing and mopping up of the centre block of the Parliament Buildings thus reaches a grand total of $37,956 for the Senate and Commons combined. Temporary servants required during the few months of the session cost $36,787 in 1926-27 and exactly the same amount was voted in the estimates for 1927-28. For "tradesmen and others" the sum of $15,000 has been voted during the past two years.

Up Go Transporation Expenses

In the past it usually cost from $12,000 to $15,000 a year to transport members of parliament from their constituencies to Ottawa and return. Members are only allowed one round trip each year at the country's expense, despite that there are frequent long adjournments such as last year when Parliament, after a few days in December, did not meet again until February. Members used to get their actual traveling expenses up to 400 miles and for further distances an allowance of $5 per day was made. Last year the Treasury Board (that sub-committee of the Cabinet and certain senior finance department officials which scrutinizes all estimates) decided that the system was wrong, and at the past sessions members were instructed to put in their actual expenses for their entire traveling. The new system was supposed to be a saving, and although the results are not yet in the Auditor General's report, it is said that the innovation resulted in a substantial increase in the country's transportation bill.

Figures like these make one grateful that the National Railways is not managed by governments. Surely there are brisk women of real executive ability who, if elected to parliament, would protest against a parliamentary restaurant costing $52,000 a year and char service at $37,900. Any hotel operated on a similar basis would be quickly ruined. Yet these substantial amounts are paid to maintain the House of Parliament for two hundred and forty odd parliamentarians during the portion of the year they spend in Ottawa.

It is a condition for which no one can be definitely blamed. No one is individually guilty. Yet these are rather serious matters for which only the House of Parliament can be held responsible. If in its own internal arrangements parliament can display such gross extravagance, how can a patient country be expected to take to heart the lectures in applied political economy which pack five stout volumes of Hansard each year?

Banks and Banking

(Continued from page 15)

It was obliged to sink to the level of a state bank, and in 1841 it closed its doors, its creditors being paid in full and its shareholders ruined.

Banking Becomes Disease

Banking now became a disease in the U. S. "Wild cat," "red dog" and "coin box" enterprises flourished, especially in the west, being established with little or no capital beyond that necessary to pay the printer's bill. In New England things were not so bad owing to the operation of the "Suffolk System" by which an issuing bank deposited in the Suffolk Bank in Boston a sum of $5,000 in addition to an amount sufficient to redeem such of its notes as might reach Boston in the ordinary way of business. The Suffolk Bank then redeemed at par the notes of contributing banks and became the clearing house in Boston for New England banks and functioned successfully until 1858. Another stabilizing influence of great effect among New York banks was the "Safety Fund," organized in 1829, by which each bank contributed annually to a common fund to meet the debts of any bank that failed. In the panic of 1837 a great strain was put upon this fund. Nevertheless it maintained the stability of the New York banks until 1841-2, when eleven banks failed at once and swallowed up its resources. The error committed at this juncture lay in the effort that was made to meet all the liabilities of these failing banks out of the fund, instead of meeting merely their note issues.

Another Specie Suspension

The Free Banking System, begun in 1838, was the next expedient. Under it any person might operate a bank on lodging with the comptroller a sufficient security. Again the west found itself in difficulties owing to the doubtful character of many of the securities deposited. In consequence, there was another suspension of cash payments in 1857, largely owing to the amount of money that was locked up in rails. Up to the outbreak of the Civil War, then, the difficulties which beset American banking were precisely those which had troubled England. The United States, further, suffered from additional complications arising from its greater variety of banks, note-issues and securities, and, above all, there was the problem of distance between bank and bank which checked confidence and limited facilities for exchanging notes for specie, even when the latter was available. During the Civai War, Congress met expenses by means of loans and note issues, as it had done in the War of Independence, though with much less justification. The financial difficulties of the federal government during this war caused Chase, the Secretary of the Treasury, to inaugurate, in 1863, the National Banking System, but his scheme was not actually brought into operation until the war was nearly over. He had two objects: to provide a national and uniform paper currency backed by United States government bonds and to gain financial help for the government by creating a steady market for government securities thus maintaining their price. Special facilities, therefore, were offered to banks organized under federal charters and issuing such notes only as were secured by the desposit of government bonds. State banks unwilling to join in the new scheme were driven out of the note-issuing business by a 10 per cent. tax placed, in 1866, on the face-value of their notes. The success of the National Banking System may be judged from the resumption of payments in specie by the United States Treasury in 1879. Since that time no important change in principle was introduced into American banking until the desire to provide an emergency currency to relieve hard-pressed banks in time of panic, and a general discontent at the normal inelasticity of the note issue, led to the passing, in 1913, of the Federal Reserve Act, itself a development of the nugatory Aldrich-Vreeland Act of 1908, which was designed to render panics such as that of 1907 less likely in the future.

Never a Great Central Bank

There appears no probability of the United States ever erecting a great central bank such as the Bank of England to regulate her currency problems; the country is too large for such a scheme to function satisfactorily. Nor is there any sign of a voluntary regulation of affairs by common action among the banks themselves, as is the case in Canada. In consequence the supply of notes and securities often tends to be either too plentiful or too scarce.

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Wood, Alexander and James, Limited

DIVIDEND NOTICE

By order of the Board of Directors a dividend of 1¾% has been declared on the First Preference Shares of this Company for the quarter ending 31st July, 1927, payable 1st August to shareholders of record as at close of business 21st July.

W. J. CUNNINGHAM, Secretary.

Hamilton, Ont., 20th July, 1927.

Dividend Number 165

Hollinger Consolidated Gold Mines, Limited

(No Personal Liability)

A dividend of 2% on the outstanding capital stock of the Company has been declared payable on the 12th day of August, 1927, on which date cheques will be mailed to shareholders of record at the close of business on the 27th day of July, 1927.

Dated the 20th day of July, 1927.

I. McIVOR, Assistant-Treasurer.

PURE FOOD STORES, LIMITED

Montreal, Que.

DIVIDEND NOTICE

A Dividend of 1¾% for the Quarter ending July 31st, 1927, and being at the rate of 7% per annum, has been declared on the First and Second Preference Stock of the Company, and is payable on the 1st of August, 1927, to Shareholders on record July 23rd, 1927.

By order of the Board.

J. H. MAGID, Secretary-Treasurer.

Montreal, Que., July 18th, 1927.

$138,773.33

Town of Kenora, Ontario

DEBENTURES FOR SALE

Sealed Tenders, marked "Tenders for Debentures" will be received at the office of the undersigned up to

NOON, THURSDAY, AUGUST 4th, 1927,

for the purchase of the following Debenture Issues of the Town of Kenora--

Amount	$13,773.33	$125,000.00.
Purpose	Consolidated Debt ..	Local Improvements, Sewers
Term	26 Yr., Sinking Fund.	30 Instalment.
Interest Rate	5%	5%.
Interest Payable	June 30-Dec. 31st ...	Sept. 1st.
Debentures Dated	July 1st, 1927	Sept. 1st, 1927.
Debentures Due	Dec. 31st, 1953	Sept. 1st, 1928-1957.

WHERE PAYABLE—Debentures and Interest Coupons will be made payable at the Imperial Bank of Canada, Toronto, and Kenora.

LEGAL OPINION—The Legal opinion of Messrs. Long and Daly of Toronto will be furnished, a certificate of which will be printed on each debenture.

TENDERS—Tenderers will state price, plus accrued Interest, if any, for Kenora Delivery and payment on each issue separately.

The Municipality reserves the right to reject any or all bids.

F. J. HOOPER, Treasurer.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of SEPTEMBER next, to Shareholders of record of 30th July, 1927.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR, General Manager.

Montreal, 19th July, 1927.

The Royal Bank of Canada

DIVIDEND No. 160

Notice is hereby given that a Dividend of Three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Thursday, the first day of September next, to shareholders of record at the close of business on the 30th day of July.

By order of the Board.

C. E. NEILL, General Manager.

Montreal, Que., July 12, 1927.

The Canadian Bank of Commerce

Dividend No. 162

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1927, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1927. The transfer books will not be closed.

By order of the Board.

S. H. LOGAN, General Manager.

Toronto, 15th July, 1927.

The Eastern Car Company LIMITED

BONDS

Notice is hereby given that The Eastern Trust Company under the provisions of the Mortgage dated the first day of July, Nineteen Hundred and Twelve (1912) to secure the Bonds of the Eastern Car Company, Limited, will receive offers up to noon on Thursday the fourth day of August, 1927, from persons willing to sell the whole or any part of the Bonds of the said The Eastern Car Company, Limited, purchasable by a Sinking Fund payment of Twenty-one Thousand and Seventy Dollars ($21,070.00).

Offers must state the amount of bonds and price delivered at Halifax. This Company reserves the right to reject any and all offers in whole or in part. Bonds accepted are to be delivered on August 11th, 1927, and interest on accepted bonds will cease on that date.

The Eastern Trust Company, Trustee.

184 Hollis Street,
Halifax, N.S.,
July 4th, 1927.

WAYAGAMACK PULP & PAPER COMPANY LIMITED

Dividend No. 10

Notice is hereby given that a Dividend of seventy-five cents (75c.) per share has been declared on the No Par Value Common Stock of the Company, for the quarter ending August 31st, 1927, payable September 1st, 1927, to Shareholders of record at the close of business on August 15th, 1927.

By order of the Board.

D. L. ADAMS, Secretary-Treasurer.

Montreal, Que., July 21st, 1927.

THE Brading Breweries LIMITED

Common Dividend No. 15

Notice is hereby given that a dividend of fifty cents (50c.) per share upon the no-par-value common stock of the Company has been declared payable August 15th, 1927, to shareholders of record at the close of business July 30th, 1927.

By Order of the Board.

JOHN RANKIN, Secretary-Treasurer.

Ottawa, 19th July, 1927.

LAKE OF THE WOODS MILLING COMPANY LIMITED

Dividend Notices

Notice is hereby given that a Dividend of 1¾ per cent. on the Preferred Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending August 31st, 1927, has been declared payable on Thursday, September 1st, 1927, to Shareholders of record at the close of business on Saturday, August 20th, 1927.

By order of the Board.

M. H. HUTCHISON, Secretary.

Notice is hereby given that a Dividend of 3 per cent. on the Common Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending August 31st, 1927, has been declared payable on Thursday, September 1st, 1927, to Shareholders of record at the close of business on Saturday, August 20th, 1927.

By order of the Board.

M. H. HUTCHISON, Secretary.

Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. 10c. a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, JULY 29, 1927 Member of Audit Bureau of Circulations No. 30

Chelmsford Farmers Paid $628,425 for Properties by Treadwell Yukon Co.

Company Has Purchased 6,000 Acres Which Protect Strike of Ore Zone

WILL LIST COMMON

Four Companies Will Each Give Up Stock and Preferred Will Be Sold Later

Bunker Hill Sullivan people evidently regard the Errington Mine, Chelmsford, as of outstanding importance to their operations, for in F. W. Bradley's report on its three subsidiaries, Alaska Treadwell, Alaska Mexican and Alaska United, he confined his remarks wholly to the Errington.

"You may note," he tells shareholders, "that the Errington venture promises to develop into a very large and important mine" and he proceeds to outline the plan to finance its future operations.

These are important to Canada as it means the listing of the shares here. Treadwell Yukon, another subsidiary, is operating the Errington and it is issuing 100,000 shares of 6% cumulative, voting power shares par $100, interest quarterly, plus bonus payments of same dividend as may be paid on common. These will be offered pro-rata to shareholders.

Shares Outstanding

Treadwell Yukon has outstanding, 1,500,000 common, par $1. Alaska Treadwell holds $449,992.60; Alaska Mexican $149,997.20, Alaska United $149,997.20, and Bunker Hill Sullivan $750,000, or $1,499,997, all but 13 shares which undoubtedly Bunker Hill holds.

The plan evidently is to have these companies release some of this common stock from the treasuries of the four companies by declaring liquidating dividends. These shares will then be listed in Toronto and distribution secured. This will soon establish a market for the shares and as the preferred rights are offered, the stock should assume considerable importance.

How soon the stock will be offered is difficult to tell. Mr. Bradley says work on the property will be speeded up, and as soon as this demonstrates that the property is worth equipment, preferred shares will be offered from time to time as needs be. He says that the bonus feature of the preferred is necessary to make it attractive.

An analysis of the Yukon Treadwell balance sheet shows the company's position not any too strong. It owes Alaska Treadwell $346,222, borrowed at 6 per cent., Bunker Hill Sullivan $339,209, at the same rate and other current liabilities $153,279. Liquid assets total $564,395 and the deficit is $167,372. Errington property is covered at $494,444 and equipment there $67,831.

Covers Ore Zone

P. R. Bradley, consulting engineer, says that in taking up and closing options care has been taken to protect both the strike and dip of the ore zone. In all they hold 6,000 acres, with 25,000 ft. on the strike of the ore zone and the dip of the vein to 5,000-ft. Property payments to May 1, amounted to $475,825, and payments are complete on 1760 acres with $152,600 owing on the balance, making $628,425 the total purchase price. The company owns an additional 11 claims, 453 acres, presumably staked.

Mr. Bradley does not attempt to estimate the tonnage indicated by diamond drilling, which he says was too widespread to permit of precise interpretations. Drilling of 85 holes involved 48,806-ft. and the ore found was indi-

(Continued on page 20)

Gull-Kirkland Mines
LIMITED
(No Personal Liability)
Property situated in the
KIRKLAND LAKE CAMP
Diamond drilling is giving important results.
For particulars apply
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Phone AD. 7388.

Draper Dobie & Co.
Members
Standard Mining Exchange
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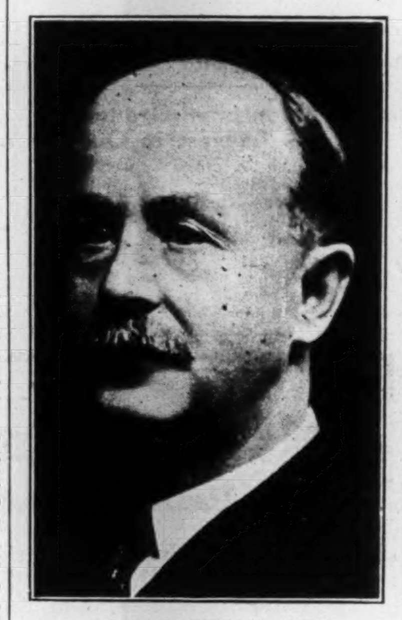
Mining Investments
Northern Ontario Building
TORONTO
Phone Adelaide 2324

Mond Nickel Executive



DR. C. V. CORLESS, M.E.
Managing director, Mond Nickel, in complete charge of the company's Canadian operations. Mond Co. recently held its annual meeting in London and Sir Alfred's address will be found on another page of this issue.

SHARE EXCHANGE OF R-QUEBEC ARRANGED

Prudential Trust Advises That 9 2/3 Gold Belt Shares Given For 100 Rouyn-Quebec

At last steps have been taken to arrange for exchange of Rouyn Quebec Gold Mines into Shares of Quebec Gold Belt. This has been hanging fire for a long time as have other share exchanges. Prudential Trust Co., Montreal, are transfer agents, and shareholders are now being notified that for every 100 shares of Rouyn Quebec held they will get 9 2/3 shares of Quebec Gold Belt. The notice given out reads:

"We are authorized, as Transfer Agents to advise that arrangements have now been completed for the exchange of the shares of Rouyn Quebec Gold Mines Limited, into shares of Quebec Gold Belt Limited, on the basis of nine and two-thirds (9-2/3) shares for each one hundred (100) shares of Rouyn Quebec Gold Mines Limited.

"The Transfer Books of the Rouyn Quebec Gold Mines Limited have been closed, and no more transfers will be made except in exchange for the shares of Quebec Gold Belt Limited.

"Please forward your stock duly endorsed in blank and witnessed to this Company, with full instructions as to how you wish the Quebec Gold Belt Ltd. certificates issued, i.e., in what denominations and same will be promptly complied with, and forwarded to you by registered mail."

CONIAURUM WILL LIKELY GO DEEPER

If New Shares Are Offered This Will Likely be New Scheme

Coniaurum shares had quite a rise in the market this week. Reports that new shares would be offered to the public to provide funds for the mill is said to have been the good news that caused the buying. The report was that development on the 1,500 ft. level was far ahead of anything heretofore met with and made the mill certain.

This may be partly true, but it would seem that if new financing is done it will be to allow for deeper operations. It is believed that Coniaurum has about $200,000 left in the treasury. It is understood that the engineers are convinced that the best chance of the operation is to go deeper and if new financing is undertaken some of the money will be used for this and the balance to erect the mill. It is believed that 200,000 additional shares will be offered shareholders at $3.

Kootenay Florence After Adjoining Lake Shore

Kootenay-Florence, an important mine near Ainsworth in the West Kootenays, is reported negotiating for control of the adjoining Lake Shore property. It is known that interests from Boston, representing the Lake Shore have been in conference with certain Toronto interests relative to this merger, and it would not be surprising if these two well known properties combine their efforts. It is understood that the examination being made by the famous Western engineer, H. C. Wilmot, has this purpose behind it.

CENTRAL MAN. ORE RESERVES UP AS ARE ALSO VALUES

Directors Will Visit Mine in September Prior to the Winnipeg Meeting

START MILL OCTOBER 1

Detail of Reserves and Important Development News Looked For

While it has been generally accepted that Central Manitoba Mines had 4 to 4½ years ore reserves blocked out for the 250-ton mill that is now being constructed, no official statement has been issued in Canada in regard to the value of reserves.

Anglo-Canadian Explorers, the Canadian operation of John Taylor & Sons, now in operating control of Central Manitoba Mines, held its annual meeting in London recently, and at the meeting it said that last autumn the reserves were 112,000 tons of, just under $20 ore. Since then, it was stated, ore reserves have substantially increased and the grade has improved.

Thos. Prior, consulting mining engineer who gave out the figures, will make his third trip to the mine, last week in August, and Henry Taylor, senior member of the Taylor firm, will come to Canada on the Empress of France, Sept. 11, and there will be a full meeting of the directors of Central Manitoba Mines at Winnipeg, after a visit to the mine.

It is expected that the mill will get under full operation Oct. 1, and will be tuning up when the directors visit the property.

No new development work is going on at the property, said Pres. Arthur D. Miles. Blocking out ore for the mill and opening up stopes, is the main mine effort. Mr. Miles intimated that there might be some important development news come out at the directors meeting and details of the plans for the future operation and exploration effort will also be decided.

Anglo-Canadian shareholders were told that it is now the intention of the company, now that it has proven up the Manitoba operation, to resume the search for other ventures.

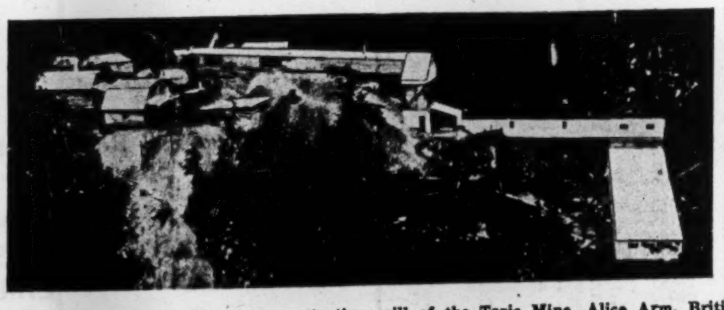
Other interests, not without value, were shareholdings in the Kirkland Townsite and London Gull Lake Mines, some gold claims, and an area on the New Lake Silver Belt. During the past year, however, they had devoted attention exclusively to the Manitoba property, not attempting to develop interests in other directions or to examine new areas; but now the time had come to continue their earlier activities and resume the search for further properties in a field still rich with promising opportunities. Their chances of making good and of acquiring other mining interests of value to replace that which it was proposed to distribute among the shareholders were certainly not less favorable than when they started on their enterprise five years ago.

When the company was reconstructed it would continue to hold some 550,000 Central Manitoba Mines shares, representing at their par value a sum of $110,000. The present capital was £325,000 in £1 shares. The new capital would be £125,000 in shares of 4s. each, and each shareholder would be allotted two of these shares, fully paid, for each one he now held, and also three fully-paid shares of Central Manitoba Mines, having a nominal value of 12s. ($3), with a market value well in excess of that figure. Thus he would receive shares to the nominal value of £1 each for each £1 share now held.

Use Alberta Tar Sands on Jasper Park Roads

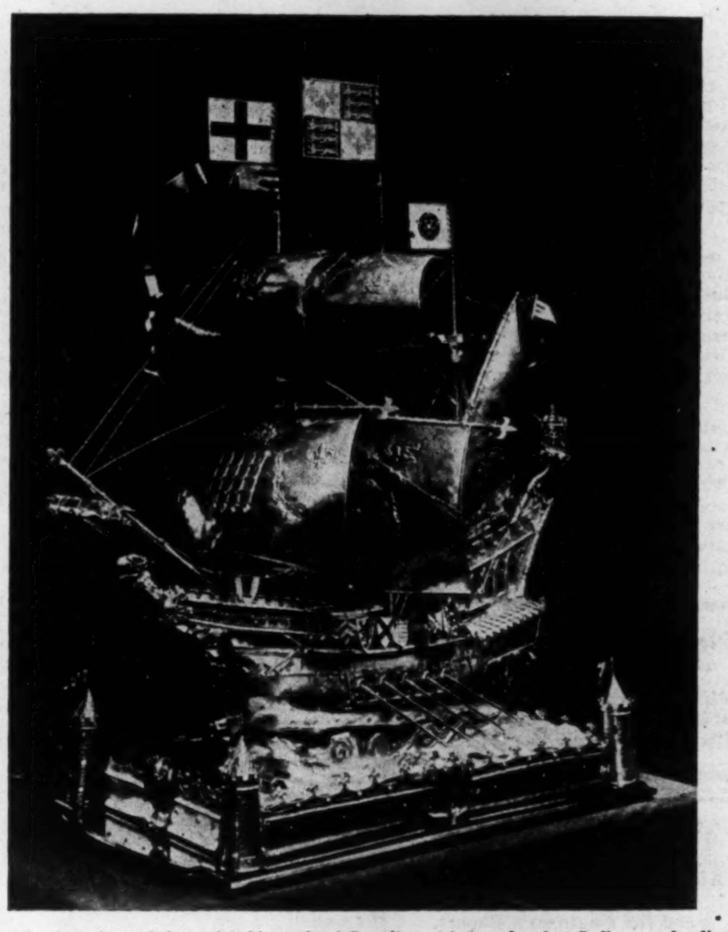
Ninety carloads of tar sands will be shipped from McMurray during the present summer, it is announced, to be used in roadmaking at Jasper Park. The work of surfacing the roads is being supervised by Dr. S. C. Ells, of Ottawa. Shipments are being made at the rate of three or four cars each week and it is expected that some three miles of road in the park will be covered in this way during the season.

Pioneering High in B. C. Mountains



Above is shown the new 100-ton concentrating mill of the Toric Mine, Alice Arm, British Columbia. The management announces that 600,000 tons of ore of good milling grade has been blocked out. It is a two-unit plant. Two more 50-ton units will be added within 12 months and the ultimate capacity of the mill will be 400 or 500 tons, according to A. C. H. Gerhardi, managing director. "We will set aside 30 per cent. of earnings for mill enlargement until the plant is brought up to its ultimate capacity," he states.

Model Ship of Nickel for Ontario



The above is a photo of the model ship made of Canadian nickel produced at Sudbury and refined in Wales, which Mond Nickel Co. proposes to present to the Province of Ontario during the coming session of the Empire Mining Congress. The galleon depicted is such a vessel as might have sailed the Spanish main in the days of Christopher Columbus. Its sails are bellied to the wind and its colors flying from every mast. The lustrous metal of which it is made glistens like silver, and the craftsmanship displayed in the construction is exceedingly skilful.

PREMIER DEAL IN PORTLAND CANAL REPORTED CLOSED

B. C. and National Silver Merger With Big Producer Said To Be Fact

Consolidation of Premier Gold Mines, B.C. Silver Mines and National Silver Mines, Portland Canal area, British Columbia, is reported to have been consummated.

For well over a year this has been hanging fire. Negotiations between New York, controlling Premier and London, controlling B.C. and later National Silver, have been off and on. Some bad feeling was interjected and this caused delay. Premier will dominate the consolidation. The fact is that it really absorbs the two London concerns. No official announcement has been made. Alaska Weekly, published in Seattle, says Premier has taken the other two over. The Seattle paper says Premier's assets are more than doubled. It gives the terms as follows:

Premier will increase capital 5,000,000 to 10,000,000 shares.

B. C. Silver receives back all monies expended and 1,000,000 shares of Premier.

National Silver receives back funds expended and 600,000 shares of Premier.

B.C. Silver is controlled by Selukwe Co., London. Premier owns a 38 per cent. interest.

National Silver is controlled by Sebawke Co., London, which in turn is owned by Selukwe Co. O. B. Bush, president, Bush Consolidated Mines, and associates, represent the minority interest in National Silver.

The amalgamation, if a fact, places the great portion of Salmon River Section, Portland Canal, into the hands of two companies, Premier and Bush Consolidated.

Jay Copper to Sink Shaft to 500 Level

H. J. Stewart, managing director, Jay Copper, in a progress report outlines work to date, says good progress is being made in opening up Group No. 1. He says:

Main shaft on the Dalquier property, Group 1, has now been sunk to a depth of 347 feet, with a level established at 325 feet. At this level the No. 1 vein was again cut and the development being such he recommended that the company immediately sink a shaft to 500 feet, and to cut another level at 400 feet.

Group No. 2 (which is situated half a mile to the west of Group No. 1 in Dalquier Township). The company has been carrying out a program of surface prospecting. Several very strong mineralized occurrences have been located—these are now being opened up by test pits and show very promising possibilities. In view of the results obtained from this preliminary work, the managing director has recommended to the board that a program of diamond drilling be carried out on these various occurrences.

The Dalquier property is equipped with permanent bunkhouses and office, together with adequate shaft sinking machinery to complete the present program. All buildings are equipped with electric light from the company's own power plant, and a telephone line has been installed from the property which connects up with the local service in Amos.

KIRKLAND LAKE FALLS OFF

June gold production in Ontario from 350,934 tons of ore was $2,672,165, compared with 362,987 tons, value $2,782,954, in May. Porcupine total was up slightly and Kirkland Lake down $121,000.

Shorts in Amulet Now Seeking Cover

Amulet shares have monopolized the trading on Standard Stock Exchange again this week. It is understood that there has been considerable covering on the part of shorts as it has become accepted that there is considerable merit to the operation now. One broker who failed to make delivery of blocks of Amulet is reported as bought in on the floor of the exchange. A great deal of the speculation is due to the belief that new financing will be done and that shares will be offered to the shareholders well below the present market.

HOWE SOUND HAS IMPROVED EARNINGS

Company Paid Shareholders $1 Per Share—Britannia Mine Better

Howe Sound Co., operating Britannia Mine in British Columbia as well as two silver operations, Calera Mine and El Potosi Mine, in Mexico, shows a fair increase in net income for the second quarter of the year as compared with the first. Production and costs were both up and other income and depreciation allowance down. Dividends of $1 per share were paid on the 496,038 shares outstanding. There are no par value shares, selling at present in New York at $38. Standing ahead of the stock is a bond issue, $2,000,000 in the treasury of one of the subsidiary companies. Considerable investment interest has developed in this issue, particularly in British Columbia, of late, because of the improved developments at Britannia Mine.

Production by metals and earnings for the two three month periods of 1927 are as follows:

	First Quarter	Second Quarter
Gold, ozs.	2,561	2,044
Silver, ozs.	694,695	700,652
Copper, lbs.	8,391,336	8,408,432
Lead, lbs.	14,738,058	16,513,147
Zinc, lbs.	12,865,737	15,312,879
	Second Quarter	**First Quarter**
Value of metals produced	$3,340,125.07	$3,304,503.22
Operating costs	2,616,697.35	2,597,181.78
Operating income	723,427.72	707,321.44
Misc. income	85,060.04	105,888.99
Total income	808,487.76	813,210.43
Less depreciation	203,319.68	231,970.54
Net income	$605,168.08	$581,239.89

B.C. Mining Stocks

Special wire to The Financial Post.

Vancouver, B.C.—Price ranges for the week on Vancouver Stock Exchange were narrow. Trading was quite spotty. There was a big demand for Indian, Porter Idaho, Ruth Hope and L. and L. Glacier.

Stock	Week's Range High	Week's Range Low	Week's Close
L. & L. Glacier	9¼	8¼	8½ to 9¼
Indian Mines	9¼	...	8¾ to 9¼
B. C. Silver	1.78	1.77	178 to 177

TORIC SHAPES UP AS THE NEXT RICH PRODUCER OF B.C.

Manager's Estimate of Ore Reserves Show a Tremendous Value

BUILDING MILL NOW

Will Start With 100 Tons and Plans to Gradually Step it Up

Above No. 1	Tons	Average	Value
x-cut	385,000	$12	$4,620,000
100-ft. below wkg.	150,000	12	1,800,000
Above low wkg.	210,000	12	2,520,000
	745,000		$8,940,000

Toric Mines, Alice Arm, B.C., is building a 100-ton mill. The above proven and estimated ore reserves are the justification.

A. C. Gerhardi, an English engineer with South African experience, is the man who is responsible for the Toric. It will produce this year, starting with 100 tons daily and gradually working up to 200 tons and later 400 tons, depending on the speed with which the mine opens up.

Financed in England, Toric Mines Ltd., has the most persistent worker in the Alice Arm district since the Dolly Varden shut down. With comparatively little attention from the public it has carried on for the past three years steadily increasing the quantity of ore in sight. While the management has given this ore a nominal estimated value of $12 a ton, the average of Premier Gold Co. ore, disinterested persons familiar with the Toric workings say that the average should be upward of $15. There is known to be a great quantity of $25 ore ready for stoping. Three tests run in Seattle averaged, gold $5.20; silver, 17.90 ozs.; lead, 34 per cent. or. $26.13 per ton.

A. C. H. Gerhardi, mining engineer and managing director for the Toric, has achieved a record of economy in the Toric's affairs, unique in recent British Columbia mining history. He took over the management of the company when it owed several thousands of dollars and had $5 in the bank. He financed the company in England, by personal initiative, proved the mine, designed and built the mill and of 125,000 shares of $5 par value has till about 30,000 shares in the treasury. When it starts grinding it will be one of the lowest capitalized mining propositions in Canada.

Mining and milling of the ore can be carried on at a total cost of $5.20 a ton, Mr. Gerhardi told The Financial Post's correspondent. He plans to complete the recovery of metal values at the plant by a process of roasting, washing and mercury amalgamation, saving the cost of concentrate shipments and smelting charges.

Toric group consists of 97 acres and has an aggregate length along the lode of 2,700-ft. It is situated in Naas River mining district, Alice Arm being the nearest seaport, 17¾ miles away. A 36" gauge railway, the Dolly Varden, covers 17 miles and the balance of the distance to the property, ¾ miles, is reached by a wagon road.

Ore body No. 1 Tunnel consists of bluish-white quartz, carrying considerable fine galena and native silver. Parts of vein contain numerous fragments of rock cemented by jasper barite. In places the bands of barite and jasper alternate with fine seams of galena. Gangue minerals are quartz, barite, jasper and calcite. Metallic minerals, native silver, fine steel galena pyrite, chalcopyrite and white iron.

Shares in the company, originally offered at $1, have risen to $5 and $5.25 bid on the Vancouver Stock Exchange with no stock offering. No shares changed hands in June, despite active bidding.

Professor A. E. Flynn, Department of Natural Resources, Nova Scotia, in making a survey of diatomaceous earth at Sigogne on the lines of the Dominion Atlantic Railway, found immense deposits in that vicinity, sufficient to warrant the manufacturing of articles that can be made from that product.

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GOLD AND SILVER STOCKS
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Mining Inquiries

Canadian Matachewan

What is Canadian Matachewan doing? Do you know their address?

Canadian Matachewan is idle. Address of Co. King St. East, Toronto, Ont.

Bloom Lake

What is market value of Bloom Lake Consolidated? Will it ever be anything?

Bloom Lake shares are unlisted. We doubt if there is a market for the shares. Company has large holdings that may work out some day.

Corona

Has Corona stock any future at all? Can you see any silver lining?

Corona is quite speculative as the present price indicates. Location of the property in light of Rebago and McDougall operations adjoining, has possibilities. Some good news said to be pending.

Bush Consolidated

I would be glad to have your opinion of Bush Consolidated, at 50c par.

Bush Consolidated looks like an attractive speculation. Properties are desirably located, have some good showings and operation is in good hands.

Cobalt Frontenac

A client put $5,000 in Cobalt Frontenac and then came and asked me about it. Do you know anything about it?

Cobalt Frontenac operates Golden Fleece Mine and has been going many years without getting anywhere. We regard the shares as being unattractive.

Noranda

I hold quite a few shares of Noranda. What does it look like to The Post?

Noranda looks quite attractive as operations at deeper level progress and mine nears production basis.

Chukuni Red Lake

What do you know of Chukuni Red Lake and how do you regard it?

We do not like the Chukuni Operation. There have been difficulties over property payments. The portion of the funds raised that has been spent on the property, we are advised, is quite small.

Nickel

Would you recommend Nickel shares for a small speculation?

It takes a lot of money to buy nickel. Still if you can make 25 or 50% on it you would not need to worry whether it was $60.00 a share or 10c. Nickel is looking attractive as a hold for a couple of years, and seems to be stabilized around this level.

May be Slow

I am buying Lake Shore and Teck Hughes and am thinking of Tough Oakes, Vipond and Keeley, also some Laval. Are they all on a sound basis?

Your selection of the better priced stocks is good. T. O. B., Vipond and Keeley have not been doing well of late and may take considerable time to work out. Laval is quite speculative.

Keeley

What had one better do with Keeley. Would I sell or buy more?

If you can afford to hold, you would be best advised to do so. Keeley is husbanding its resources and will likely continue to pay dividends, perhaps 12% per year. Developments on Mining Corp. property adjoining indicate additional big possibilities for Keeley. It will likely mark time until silver market improves.

Hollinger-McIntyre

I sold Hollinger at $22.10 and have $4,000 to $5,000 to reinvest. How about buying Hollinger back and McIntyre? How about General Motors?

We don't think you could do better than make the purchase you propose. Hollinger and MacIntyre, both should do materially better.

We do not pretend to keep in touch with U. S. stocks as Canadians keep us busy enough. A local authority on U. S. stocks thinks motors will split three for one—an answer to the new Ford car. No doubt General Motors have had a wonderful year.

Kirkland Gold Belt

C. T. Morgan, Stock Exchange News, Montreal, has been using long telegrams and long distance phone calls in effort to sell New Yorkers Kirkland Gold Belt Mines. What do you know of the proposition? How about the selling methods?

It would seem that Stock Exchange News, Montreal, is employing methods that are usually a part of the repertoire of high pressure salesmen, in trying to place this stock. We don't know who is behind it, if anyone other than Morgan. Company capitalized at $3,000,000 and property in Lebel Tp., Kirkland Lake. Latter fact may be favorable, depending on its location in township which lies directly east of producing area of Kirkland Lake. There is a part of this township that is regarded as being of particular promise, necessitating of course large amounts of money and skilled exploration under keen geological and engineering guidance. The area is yet to be proven.

Sell the U. S. Stocks

I have 50 B. A. Oil, 100 Prairie Oil Gas, 300 McIntyre, 100 Harvie Mining, 50 American Ice, 50 Spicer Mfg. and 20 Spanish P. & C. I want to sell some this fall. Which would you suggest?

We are not well posted on U. S. concerns, and cannot advise on Prairie Oil, American Ice & Spicer. If you are letting go of some they would seem the logical ones, as with N. Y. market said by authorities to be at the ceiling, facing danger of a break, you might have heavy losses. On the other hand your Canadian issues are good. B. A. Oil, McIntyre and Spanish are all sound issues with excellent market chances. Harvie shares represent an attractive speculation.

Dome

I hold 600 Dome, cost $8.70. Would I sell or hold? If sell, what will I buy?

We would hesitate to recommend that you sell your Dome shares. In our issue of the 22nd you will have noticed the half year earnings statement, showing a net of 98½c. per share or close to the full year's dividend of $100 per share. Dome mine is not through, and past experience has been that when Dome was seemingly looking its worst—on the stock market—was the time when things were picking up. Naturally the stock is quite speculative and you may not want to play out the speculation with the chance of a loss. Such being the case you might consider some of the other good golds. Hollinger, MacIntyre, W. Hargreaves, Lake Shore, Teck Hughes or International Nickel, a little more speculative are Noranda and Curlice Manitoba.

Duprats Montbray Group is Largest in Quebec

On the block of claims recently acquired by Duprat Mines, in Montbray Township, Quebec, and said to be the largest group of claims in one block held by any company in Rouyn, an important discovery is reported of massive chalcopyrite. Further work is proceeding and the crew of men is being doubled. The discovery made is north of the granite intrusion and is believed to be of the magmatic type.

Work has not yet been undertaken on Duprat's Kamiskotia group.

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MINING STOCK QUOTATIONS

Week Ending July 26

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close July 26	Sales for wk.	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low
Abana	1	....	....	1.07	1.00	1.07	9900	....	....	1.07	20
Aconda	1	....	....	20	16	16	10200	....	....	45	16
Allied M.	1	....	....	....	....	....	....	....	....	5.51	2.70
Al. C. M.	.	....	....	....	....	....	....	....	....	4.59	3.01
Amos	.	....	....	....	....	....	....	....	....	56	15
Amulet	1	....	....	3.83	2.85	3.75	1095115	2.89	.90	3.83	.85
Algonquin	1	....	....	3	2	2⅞	29100	6¼	1¼	5¼	2
Apex	1	....	....	1	1	1	100	6	2¾	3½	1
Area	1	....	....	55	38	51	363275	1.55	21	1.95	.25
Argo. Con.	1	....	....	33	30	30¾	159550	67	18½	59	25
Atlas	1	....	....	3½	3	3½	14500	5	1⅞	7	2
Archean	10	....	....	....	....	....	....	....	....	18	17
Ajax	1	....	....	10	10	10	2500	....	....	39	6½
Bard	.	....	....	....	....	....	....	....	....	1.59	35
Baldwin	1	....	....	2	1	1¾	10000	6⅞*	1	4¾	1
Barry Holl.	1	....	....	33½	30	30¾	17655	1.00	.21	1.00	.25
Beaver	1	....	....	1.06	1.04	1.05	1965	.99	.51	1.22	.5½
Bellellen L.	1	....	....	3½	3	3	4000	23½	20	23½	3
Bidgood	1	....	....	10¼	9	9½	16500	9⅜	4½	14½	5
Boischatel	.	....	....	5¼	4½	5	26600	....	....	27	3
Boston Creek	1	....	....	....	....	....	....	7½	2½	1	½
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.50
Buckingham	1	....	....	3	3	3	19000	7¾	2	9½	3
Bunker H.	.	....	....	....	....	....	....	....	....	1.00	75¾
Can. Lorrain	1	....	....	12¾	12½	12¾	2000	93	57	72	10
Capitol S.	1	....	....	21	18½	19	8800	48½	24	34	15½
Capitol R.	.	....	....	16	13	14	5300	43	26	54½	12½
Cen. Manitoba	1	....	....	1.66	1.53	1.53	66855	....	....	1.90	1.07
Castle Tre.	1	....	....	82	78	80	15900	1.85	.91	1.27	.75
Chaput H.	1	....	....	8½	8¼	8¼	4000	22	3⅛	13¾	4⅜
Clifton	1	....	....	1¼	1¼	1¼	3000	6½	1	3½	1
Col. Kirk	1	....	....	2	1⅞	1⅞	32500	6¾	2	6	1⅞
Coniagas	5	....	....	5.00	3.55	5.00	6110	4.85	3.00	5.00	3.20
Coniaurum	5	....	....	4.25	3.50	4.00	10379	4.60	3.00	4.25	2.80
Cons. Smelter	25	10+5	1.08	231	226	230	2197	265	177¼	264	215
C. W. Dome	1	....	....	6	5¼	5¾	32350	29½	14	19	5
Corona	1	....	....	13½	10	10¾	112750	37½	20	37	10
Copper Hill	.	....	....	58¾	56½	57½	34000	....	....	58	47
Comm. Mines	.	....	....	....	....	....	....	....	....	1.50	.71
Crown Res.	1	....	....	10½	10	10	12500	24⅛	8	15¼	7
Coast Copper	.	....	....	14.00	12.00	12.00	215	....	....	22.00	12.00
Davidson	1	....	....	....	....	....	....	3	1½	3	1
Destor	.	....	....	....	....	....	....	41	40	43	40
Dorion	.	....	....	3.95	3.90	3.95	400	....	....	4.00	1.02
Dome Mines	None	$1	13.79	7.60	7.25	7.25	2915	20.00	8.00	10.85	6.85
Don Rouyn	1	....	....	25	21	25	36500	61	25	56½	17½
Duprat	1	....	....	11	7½	10½	174100	35½	8½	34½	6¼
Dubec	1	....	....	1.17	1.05	1.17	47075	....	....	1.12	.35
Dom. Lead	.	....	....	1.54	1.48	1.54	16100	....	....	1.54	1.05
D. Kirk	1	....	....	11¾	8	9	8890	....	....	2¾	1½
Dunwell	.	....	....	....	....	....	....	....	....	1.51	1.50
Eastern Metal	1	....	....	13.50	13.25	13.50	850	....	....	13.50	10.00
Everett	1	....	....	2	2	2	2000	12¼	3¾	5½	2
Fiske	.	....	....	9	9	9	100	....	....	30½	5
Fisher, Que.	1	....	....	1.07	.97	1.07	42890	....	....	.97	.50
Goldale	1	....	....	35	28	32½	185310	43	24	35	20
Gold Hill	1	....	....	29	25	26½	42400	73½	25	54	25
Gold Reef	1	....	....	....	....	....	....	5	1	2½	½
Gifford	1	....	....	....	....	....	....	....	....	1¾	1
Gladstone	10	....	....	14	14	14	3000	....	....	29	14
Grover Daley	1	....	....	11½	8¾	10	55100	32	18	37	8
Gold Ore	.	....	....	1.48	1.35	1.48	13555	....	....	1.37	90
Harvie Exp.	None	....	....	15.05	13.90	14.20	4035	....	....	16.10	12.00
Hillcrest	100	6	10.00	....	....	....	....	65	55	65	60
Hillcrest, pref.	100	7	8.43	83¼	83¼	83¼	25	83	79½	87	83¼
Hill Top	1	....	....	10	9½	10	8000	31¾	20	24	9½
Hollinger	5	26	7.03	18.50	18.00	18.50	6183	21.00	16.75	22.65	18.00
Howey Gold	1	....	....	64	60	60½	4600	....	....	75	42
Huron	.	....	....	1.09	1.07	1.09	2845	....	....	1.09	1.02
Holyrex	.	....	....	....	....	....	....	....	....	5½	5½
Indian	1	....	....	12	8¼	10	67700	14½	2¾	12	4
Int. Nickel, c.	25	$2	3.33	62	60	60½	8632	46	32¼	75	38
Jay Copper	.	....	....	....	....	....	....	1.10	1.39	1.66	1.00
Kelley	1	24	24.50	1.01	.97	.98	7800	1.90	1.39	1.66	.97
Keora Mines	1	....	....	3¼	2½	2½	6550	22	11	12½	2¼
Kirk. Hunt	1	....	....	15½	14	14	56650	34	8½	35	10
Kirk. Lake	1	....	....	1.40	1.34	1.37	44400	1.44	.69	1.54	.82
Kamiska	.	....	....	9.50	9.40	9.50	350	....	....	9.75	7.62
Kirk. G.B.	.	....	....	1.00	.94	1.00	27685	....	....	1.00	.75
Lake Shore	1	40+10	2.48	20.25	20.05	20.20	3045	16.15	9.50	21.10	15.40
Lakeside L.	1	....	....	1⅛	1	1⅛	14000	10	1⅛	6	1
Laval, Que.	1	....	....	26	21	25½	109150	45¾	21	55	19½
La Rose	1	....	....	7	7	7	200	39	4	12	3½
Lorrain, c.	1	....	....	1¾	1¾	1¾	500	15	2	3¼	1
Lorrain T.L.	1	....	....	....	....	....	....	1.10	.30	.86	.25
Mentor	.	....	....	12.50	12.00	12.00	300	....	....	12.50	12.00
McDougall	.	....	....	40	33	40	37700	....	....	50	17
Marclay	1	....	....	....	....	....	....	35	30	42	34½
M'tchatell	.	....	....	39	29	39	193100	....	....	42	29
Macassa	1	....	....	21	18	20	16700	43	25	37	18
McKinley	1	....	....	15½	14	14	4200	26	8½	18	11
McIntyre	5	20	3.88	26.10	25.50	25.75	3425	29.75	22.70	27.50	24.00
Millcrest	1	....	....	5	4	4	8500	21½	3½	6¼	4
Mining Corp.	5	25	8.30	3.10	3.00	3.10	2600	4.45	2.60	3.65	2.90
Moneta	1	....	....	10½	10½	10½	1000	18	11	14	8¾
Montreal Rouyn	1	....	....	18	10	18	19300	60	13	33	10
N. A. Dev.	.	....	....	1.00	.80	1.00	31600	....	....	2.10	.80
N. A. Lead	.	....	....	....	....	....	....	1.75	1.50	2.75	1.00
Noranda	None	....	....	22.55	21.85	22.20	10692	24.75	12.00	25.00	19.95
Newray	1	....	....	40	40	40	500	45	31	40	28
Night Hawk	1	....	....	5	5	5	13600	17	3¾	10½	4½
Nipissing	5	6	5.13	5.80	5.55	5.65	4470	9.25	4.95	10.30	5.35
Noranda Rights	.	....	....	75	68	70	24286	....	....	90	68
Ophir	1	....	....	1½	1½	1½	3700	4¼	½	4⅝	¾
Ontario L. C.		....	....	1.30	1.26	1.30	3700	....	....	1.30	1.03
Osisko	.	....	....	40	36	36	5400	1.94	1.05	1.75	.35
Prec. Metal	.	....	....	....	....	....	....	....	....	22.00	20.00
P. L. Cobalt	1	....	....	4	3½	4	10000	32	14½	18	3½
Porc. Crown	1	....	....	3⅛	3½	3½	700	12	4	11	3½
Pioneer	1	....	....	74	70	72	3750	1.22	.66	1.18	.70
Premier Gold	1	32	15.31	2.10	2.05	2.09	17635	2.75	1.83	2.30	1.86
Preston	1	....	....	5½	4	*4¼	22700	9⅞	4	7	3
Potter Doal	.	....	....	18½	12	18	127300	....	....	65	12
Power & Mines	.	....	....	....	....	....	....	....	....	1.70	75
Rouyn C.	.	....	....	....	....	....	....	....	....	4.28	2.50
Rouyn	1	....	....	2	1½	1½	10000	9	1⅞	5	1
Rouyn, Que.	1	....	....	2	2	2	1000	4½	1¼	4⅜	1
Ribago	1	....	....	31	27½	27½	65650	....	....	87	13
Siscoe	.	....	....	21	21	21	1000	....	....	26	12
South Keora	1	....	....	....	....	....	....	35½	5	54½	6½
Stadacona	None	....	....	19½	17	18	112050	51	40	55	15
St. Anthony	.	....	....	50	27	29	41200	....	....	50	10
Sylvanite	1	....	....	3.60	3.50	3.50	750	....	....	4.30	2.60
St. Law. Zinc	.	....	....	....	....	....	....	....	....	82	72
Trojan	.	....	....	8.00	7.50	8.00	1330	....	....	8.00	4.00
Teck Hughes	1	10	....	8.50	8.25	8.35	25262	5.55	2.65	8.60	5.25
Timiskaming	1	....	....	5½	5½	5½	1000	15¼	6	7	5
Thomp. Krist	1	....	....	....	....	....	....	3½	1	1	½
Tough Oakes	1	....	....	31	27½	30	62400	66	36	62½	26
Towagmac	1	....	....	3.95	3.30	3.38	33768	6.10	3.15	5.75	2.85
United Cop.	.	....	....	3.25	3.00	3.25	10050	....	....	5.32	3.00
Vic. Silver	1	....	....	3⅛	3⅛	3⅛	3000	96	3⅛	14	2¼
Vickers	1	....	....	40	25	40	7300	1.22	.13	1.52	.25
Vipond	1	3	....	86	78	81½	35863	2.02	1.49	1.75	.75
Wakenda	1	....	....	1⅜	1½	1⅜	2000	2¾	1	5	1
Wasapika	1	....	....	....	....	....	....	4	1	2	1
West Tree	1	....	....	3	3	3	3000	4	2	4	2
Wettlaufer	1	....	....	....	....	....	....	10	2	4½	2
Dome Lake	.	....	....	11½	9¼	11	5900	....	....	13½	11¼
Wright Har.	None	20a.	3.14	6.09	6.00	6.04	35154	....	....	6.65	5.50
Vac. Gas	.	....	....	10⅛	9	10⅛	2500	....	....	26	3

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Bright Future Portrayed for Mond Nickel Mine

Sir Alfred Mond Tells the Shareholders Costs Are Down and Market is Growing — Ore Reserves High

An excellent outlook for Mond Nickel was pictured by Sir Alfred Mond in presenting his annual report to shareholders at the recent annual meeting in London. Sir Alfred said that ore reserves were conservatively estimated at between 40 to 45 years and that they were being added to rapidly. These facts were pointed out by The Financial Post some time ago in its special issue dealing with the Sudbury situation.

Mond Nickel costs are dropping quite materially, despite the fact that wages are high and materials also. Technical improvements are for the most part responsible. Subsidiary companies are doing well and Sir Alfred gave considerable attention to the American Mond Co. with which subsidiary they have invaded the market of International Nickel in United States.

Considerable attention, he said, was being given to the development of new uses for nickel in the manufacture of alloys. Rather an interesting fact brought out was in regard to platinum. He said the company was in a somewhat fortunate position with regard to these metals, as they occur with the nickel-copper in our ores, and are recovered at the end of the extraction process automatically, and they really cost nothing, because, whether they were there or not, they should have to carry on practically the same operations in order to extract nickel and copper. For that reason, although the fall in the prices of these metals does affect earnings, they are in a better position than those other producers of the precious metals who have to rely on the profit they make on them in order to reap a profit on their large capital expenditure.

There has been somewhat of a flurry in the platinum market, which is still a little uncertain, but which will probably stabilize itself in due time.

Discussing the distribution of profits, Sir Alfred said the directors proposed to pay the usual preference dividend, and a final dividend on the ordinary share capital of 1s. 6d. per share, making 12½ per cent., or the same dividend as last year. They also propose to put to the Five-and-a-Half per cent. mortgage debenture stock reserve account the sum of £15,000. In the debenture trust deed governing the issue of the Five-and-a-Half per cent. mortgage debenture stock there is an obligation to apply the sum of £15,000 this year to repay debenture stock. This is the first year it has come into operation, but as time goes on the following consequences will flow from the operation: the amount of the debenture stock will become smaller and the redemption reserve will go on increasing, and of course at the end of a period of years the debenture stock will be entirely extinguished.

Additional facts brought out were many. The address in abbreviated form follows:

Profit and loss account shows a reduction in the net profit of £30,323. In view of the fact that in the past financial year we had both a general strike and a coal strike to contend with, both of which naturally hampered and interfered with the operation in this country. I think that shareholders can congratulate themselves on the fact that the financial results of the year have been maintained on such a satisfactory level. (Hear, hear.)

I will give you one example of the effect of the coal strike. We took the precaution to prepare for a coal strike by laying in a stock of coal at pre-strike prices, which we thought would be amply sufficient. We are, of course, very large users of anthracite coal, and you can realize the effect on our costs when I say that the price of that coal went up 250 per cent. before the strike terminated.

Gross Profit Lower

The gross profit is down by £46,447, but the effect on the net profit is somewhat lessened by a reduction of £22,643 in Debenture interest. You will remember that when we made our financial operation of converting our 8 per cent. Debentures into 5½ per cent. Debentures, I pointed out what the saving would be in a full year when that operation was completed. This year we had the full benefit of that operation, which amounted to £49,000. General charges are up by £7,324, partly due to certain non-recurring expenses in connection with our large interests in the United States and partly to the inevitable growth of expenditure which is necessary with the continuous growth of our business.

With regard to the assets of the balance-sheet, the additions in Canada, less amounts written off, are £42,808. These include expenditure on operations and explorations in British Columbia, which, however, has been written down to a low level in the accounts, and also on further development at our Frood and Worthington Mines. We have also made some further expenditure on our sulphuric acid plant, which, I am glad to say, is operating successfully and profitably. I had an opportunity of seeing it in operation last autumn. The only drawback has been a large reduction in prices in the sulphuric acid market in Canada, which has made our profits from that source somewhat less than we originally anticipated.

The balance credited to profit and loss account is £394,712, which, together with the balance brought forward, amounts to £442,924. Deducting the directors' fees, we have £423,188 available for distribution.

The cost of matte is one of the main factors in the cost of our finished products. It is therefore a great cause for satisfaction that the cost of matte has now reached a figure well below any previous record, even before the war.

This is a very striking advance when you bear in mind that wages are nearly double pre-war rates and that the cost of supplies has advanced by probably 66 per cent. That is due to a variety of causes into which I need not go, because they are of a technical nature, but I may say that one of the most important of those causes is the installation of an extremely ingenious magnetic sorting plant, which some of our engineers invented. When the ore comes out from the mine, this apparatus differentiates between rock and ore, owing to the fact that nickel ores are magnetic, while the surrounding rock is not. It looked like a conjuring rick to see the masses of rock coming up the shafts and having the ore separated from the rock, and also sorted into various grades, with almost uncanny precision.

Big Reserves of Ore

Year by year this company has very largely increased its ore reserve, and at the present time it has an infinitely larger tonnage of ore in reserve than it has had at any previous period in its history. Without going into detailed figures, I can say that on a conservative estimate, at the present rate of production, this company has from 40 to 45 years' proved ore which it can take out. That does not, of course, mean all the ore which we have. During the year under review we have substantially increased our proved ore reserves, not only in quantity, but also, I may say, in grade. That is largely due to the very satisfactory results of deeper drilling at our Frood mine, where very large reserves of high-grade ore have been located. This mine has developed extremely well, and probably you may have seen some reference in the Press to a discovery by our competitors and neighbors of high-grade copper ore at a depth of 3,000 ft. This ore body is much richer in copper than any nickel-copper ore in that area.

Our mine adjoins theirs and our deepest drilling is at present down to 2,400 ft., while our shaft is down to over 2,000 ft. We have found in that part of the mine in which we have been drilling, better ore than on the higher levels, thus confirming the impression that the mine is better in the lower levels. We are still drilling, and it will take us some time to reach a depth of 3,000 ft. Geologically it would seem to be exceedingly likely that similar ore will be found in our mine. Of course, no one knows for certain what will happen in mining, but it appears to be exceedingly probable.

Operations at Clydach

At Clydach, if we omit the bad effect of the coal strike, the year's operations have been very satisfactory both as regards production and as regards our relations with labor. We are continuing to make further improvements, which have resulted in economy in fuel, greater output, reduction in repairs, and greater efficiency, thus reducing the cost of our final products.

During the coal strike we came to the point, of course, when the cost of coal became so high that, in view of the fact that we had sufficiently large stocks of metal to supply our customers and to keep the trade going, it would have been uneconomical to keep the works going. Therefore we very reluctantly closed down for something like two months.

American Mond Company

As to our American Company at Clearfield, Pennsylvania, we decided to identify the company more closely with the parent company at home, and change the name to "The American Mond Nickel Company." I may say quite frankly, that I was not satisfied myself altogether with how things had been going on there, but after a personal visit we felt that certain changes could advantageously be made in our organization and methods of work. We made those changes successfully. We induced one of the members of the board of the American company — Mr. Shipley, a well-known engineer and man of business in America —to assume the chairmanship of the board, and we sent there Mr. Barclay, our chief technical expert in these matters in this country, to assist in improving matters on the technical side. We have been engaged, also, in reorganizing both the commercial and productive capacity of these works, and I have no doubt myself, from the results hat have already been achieved, that great improvement will be made and that this business will become in time a very remunerative and important part of our operations.

There is a very greatly increasing use in America of rolled and milled goods in nickel, nickel copper and other nickel alloys, and it is in this field that we are extending. Although we have had great difficulties, and although we have had to dispose this year in our accounts of the deficit in the balance-sheet of that company in the course of the year's working I am confident that, by keeping in close contact with it, this company will become a very important and successful part of our operations. It is, as a fact, already an important part, because it consumes a very considerable portion of the nickel we produce, and although the operations of that company as such may not have been altogether financially successful, if you take the amount of the profit you made on the nickel they consumed we have, of course, been in pocket over the whole transaction.

Other Interests

Messrs. Henry Wiggin and Co., our Birmingham subsidiary, managed to make, in spite of the coal strike, a reasonably substantial profit, and contributed to the dividends of the parent company. Naturally they were affected by the coal strike, like every other business, both as regards production and consumption.

I must now say a word to you about the Victoria Syndicate, in which we have a share, and which we have been operating for some time with a view to the development of the mineral resources of the Dominion of Canada with the Central Mining and Investment Corporation. The examination of properties under option has been continued, and claims and options which have been proved to be of not sufficient promise to justify further expenditure have been abandoned. Work is now concentrated in British Columbia, where the Syndicate is carrying on development on several promising properties. A controlling interest has also been acquired by the Syndicate in a property in that province which is expected to prove a profitable investment.

We are large manufacturers of copper sulphate. In spite of strong competition from the local makers in the consuming countries—for this is mainly an export business of ours—we have always been able to place all that we produce. Last year, owing to our production being less than usual as a result of the stoppage, we were somewhat short of supply. Prices, however, were considerably better than in the year before, and at the end of the present season, which is now about to terminate, the stocks to be carried forward are insignificant. We have one great advantage over foreign producers in that the consumers maintain their constant faith in the superiority of the British product as regards quality and purity.

Position of Nickel

The nickel outlook is more promising than it has been at any time in my recollection. Deliveries during the last financial year exceeded those of any previous year, and that is somewhat remarkable in view of the fact that, for a considerable part of the past financial year, the English consumption owing to the long coal stoppage, naturally diminished very much, and that the German and Continental consumption, which is considerable, was far below normal. Our deliveries appear to be on an uprising scale, which, should no untoward circumstances arise, should enable us during the next financial year even to exceed the period just concluded. We are obtaining a surer footing in the United States, where deliveries last year were over double what they were two years before. Every effort is being made, and we are incurring considerable but very legitimate expenditure, to broaden the uses of the metal and to broadcast its utility in all directions. The position of your company is that it has very large ore reserves, and that it has at the present time refining works of a productive capacity, considerably in excess of deliveries. It is therefore absolutely in our own interest to take every step and to use every effort to increase the consumption of our products.

Abana's Ore Zone Has 2,300 ft. Length

An electrical survey of Abana property, N. W. Quebec, has been completed and it is said that the results were quite sensational. A detailed report has not as yet been issued. Abana shaft is nearing the 300 ft. level and it is proposed to drive to the ore which dipped out of the shaft above, at this horizon. It is confidently expected that the ore will show values equal to those on the 200 ft. level.

Electrical survey indicates an ore zone 2,300 ft. long.

Resume Mill Operations on Kootenay Florence

NELSON, B.C.—An important Eastern Canadian financial group has taken an interest, with Don L. Robinson and associates, in the Kootenay-Florence Mine in the West Kootenays, B.C. This has been the most important producer in this section for many years and the company have purchased additional properties and are running a power line into the mines to supply power at a very low cost per horse power. The main tunnel is now in nearly 1,500 feet and it is regarded locally as a stimulus to an already active section of British Columbia. It is expected the mill will be ready for operation towards the end of the year, and the company should have established a full record of production by the first quarter of the new year.

The product from the mill will be shipped to the Consolidated Mining & Smelting Company's great plant at Trail, B.C.

Look for Massive Ore in Second Drill Hole

Marriott Mines has a crew of better than twenty men at work on its property in N. W. Quebec, and as a result of encouraging success in surface exploration and diamond drilling as already reported, is pushing down its second drill hole. It is known definitely that the first hole put down on an angle of 45 degrees cut 57' of highly mineralized ore. The second hole, it is believed by the engineer, will encounter massive ore very near surface as the surface showings in the vicinity of where the second hole is being drilled are massive. The second hole is being put down at the test pit in which the assay of approximately 30% copper with a ¼ oz. of gold was obtained. The first drill hole encountered the 57' of ore at a depth of 203'.

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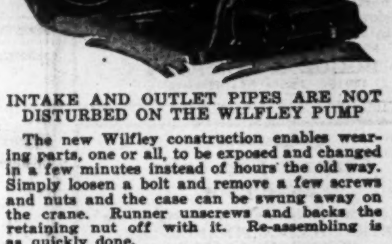
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COPPER MT. LOOMS AS LARGE MOUND OF LOW GRADE ORE

Property, After Many Ups and Downs, Reached Production During Year

The name Copper Mountain is applied to a post-office, a mining camp, and a large copper mine, as well as to the mountain on which they are all situated. The mountain, states Dr. V. Dolmage of the Geological Survey of Canada, is twelve miles south of the town of Princetown in south-western British Columbia, and about 150 miles east of Vancouver on the Kettle Valley branch of the Canadian Pacific Railway. Copper Mountain is a broadly arched, nearly flat topped divide standing between the deep valley of the Similkameen river and the comparatively shallow valley of Wolf Creek, a tributary of the Similkameen, three miles to the east. On the mountain and throughout the surrounding district many deposits of copper have been staked, the most important of which constitute the Copper Mountain mine, situated near the summit of the mountain on the west side overlooking the Similkameen valley. The mine is connected with Princeton and Allenby, where the ore is milled, by a branch of the Kettle Valley railway which extends along the valley of the Similkameen as far as the main haulage level. The camp is situated on the brow of the mountain in a grove of fir and pine trees and commands a superb view of the Similkameen valley—at this point nearly 2,000 feet deep—beyond which rise the snow covered peaks of the Hozameen range, and is one of the most attractive in British Columbia. The operating companies have protected the beauty of the site by prohibiting the cutting of timber in the vicinity and by erecting well designed buildings arranged in widely spaced rows among the giant trees. Princeton may be reached by a motor road which, because of the mild and dry climate, is open to motor traffic almost the year round.

Ore is Low Grade

The ore bodies so far developed cover about 100 acres, have been proven to an average depth of 200 ft. and contain 5,600,000 tons of ore carrying 1.83% copper and small values in gold and silver, or 10,000,000 tons if ore as low as 1.74% copper is included. These reserves will probably be largely increased as development work proceeds. The ore consists of very finely disseminated particles and minute veinlets of bornite and chalcopyrite in a highly altered coarsely fragmental tuff or breccia. It is mined from large spiral stopes during the winter and from gloryholes in summer. It is drawn from chutes on the second level into 8-ton self dumping cars which convey it to an ore pass down which the ore is dumped to the haulage level 800 feet below. This level emerges above the railway and the ore passes through primary crushers before being shipped to the concentrator at Allenby, where it is treated by the flotation process and yields a concentrate carrying about 30% copper. The concentrate is smelted at the plant of the Consolidated Mining and Smelting Company at Trail. More than two thousand tons of ore per day are being treated at the present time.

Had Ups and Downs

Though the mine has been operated for only little more than a year the deposits have been known since 1884. In 1892 the Sunset claim was staked. This has since proved to be the richest claim in the whole district and is the nucleus of the present operations. Shortly afterwards the greater part of the whole district was staked and has since been under investigation by various companies which have expended large amounts on development and equipment. Most of these expenditures were made by the British Columbia Copper Company which for many years successfully operated a mine and copper smelter near Greenwood. A first attempt by this company to put the property on a producing basis was unsuccessful because of the refractory character of the ore, which was much too low in silica, iron and sulphur and too high in alumina for direct smelting by the methods then in vogue. A second attempt by the same company was terminated in 1914 by the outbreak of the war, when it was feared that the price of copper would be too unstable to permit the mining and smelting of low grade ores. A third attempt by the same interests, but under the name of the Canada Copper Corporation had almost succeeded when the war ended and the price of copper dropped to a point below which operations were considered profitable. In 1922 the property came into the possession of the Allenby Copper Company, a subsidiary of the Granby Consolidated Mining Smelting and Power Company, with which it was recently merged and which now owns and operates the mine. A small amount of work was done on the mine and mill by the Allenby Company in 1923, but this was discontinued and not resumed until 1925 and 1926 when the present successful operations began.

Why Canada Gets Ahead

(From the Market Letter of Weir Bros. & Co., New York)

We were just discussing our point of view as to the decadence of mining share speculations in Wall Street with a client who is one of our leading mining engineers. His sober if not profound reply was:

"All too true, and conditions are very bad here; but just recollect there is plenty of money in Wall Street to finance a mine if one can be found."

What an unfortunate, if not pitiless, conception of this subject! Our engineer friend did not attempt to offer a solution as to How to Finance a Prospect, the living breathing theme which is under discussion throughout the whole United States amongst mining engineers, prospectors, capitalists and the public. It is this prospect which has to be financed before it can become a mine, and any prospect in mining, or any other form of industry, cannot be financed unless the atmosphere is with it." * * *

The (Canadian) government is free with its funds for the building of railroads for settlers. * * * Cheaply available water power * * * sets a splendid background for mining. * * *

The Canadian government provides its minister of mines in the Dominion Cabinet, while each of the mineral provinces has a minister of mines. * * *

These are more of the reasons why mining speculation is moving in Canada.

CHELMSFORD FARMERS PAID $628,425 BY TREDWELL YUKON CO.

(Continued from page 17)

cated to be 23-ft. thick, assaying 3.8 ozs. silver, 1.35 per cent. lead, 2.66 per cent. copper, 6.03 per cent. zinc and .048 oz. gold, or a gross of $18.30 per ton.

Underground Work

Mr. Bradley gives some good figures on underground development, that are worth perusal. He says:

" As a better knowledge of underground conditions could be obtained by underground work, No. 1 shaft was started in July, 1926, and was sunk to a depth of 300 feet. From the bottom of the shaft, a main crosscut was driven to the assumed footwall and drifts started east and west, the east drift at this date having been advanced 500 feet and the west drift having been advanced 300 ft. At a distance of 210 feet from the shaft, the main crosscut struck the first ore, which proved to be 20 feet wide with an assay content of 2.24 oz. silver, 1.78% lead, 0.86% copper, 9.07% zinc, and a trace of gold, or a gross assay value of $15.82.

"Crosscuts from the east and west drifts are being driven at intervals of 100 feet; at 100 feet east, a south crosscut found 9 feet of ore assaying 2.31 oz. silver, 0.62% lead, 0.93% copper, 5.72% zinc, and .028 oz. gold, or a gross assay value of $11.68—a north crosscut at this point has not yet been started; at 200 ft. east, a south crosscut intersected 8 ft. of ore, assaying 3.70 oz. silver, 5.40% lead, 2.40% copper, 7.70% zinc, or a gross assay value of $22.13—the north crosscut at this point so far encountering but low grade vein matter; at 300 feet east, the north crosscut shows 7.6 feet of ore, assaying 3.12 oz. silver, 3.05% lead, 1.71% copper, 15.81% zinc, or a gross assay value of $27.75—the south crosscut from this point so far showing only low grade vein filling. Crosscutting is now being done to the north and south from points 400 feet and 500 feet east. In the west drift, short crosscuts have been started at 100 feet, 200 feet, and 300 feet, but have not yet found ore. In calculating all above mentioned assay results, the following metal prices were used; silver, 50c. per ounce; lead, 4c. per pound; zinc, 6c. per lb.; copper, 14c. per pound; gold, $20.000 per ounce — these prices for lead, zinc and copper being approximately an average of the London prices for the last 32 years, computed at average New York rate for sterling exchange for each year.

Large Area Explored

"The amount of underground work done to date is small and particularly so in view of the very large area to be explored. Ore has been found to occur anywhere within a width of 1,000 feet measuring across the strike, and there are indications that between the extreme footwall and the extreme hanging wall the distance may be 2,000 feet. These figures represent the width of the ore zone, and we have yet to learn the habit of the occurrence of ore shoots across this width. At this time it is not possible to determine satisfactorily the relation between the ore found by the underground work and that found by the diamond drilling, and judging by present appearances the ore cut on the 300 ft. level by the several crosscuts is different from and lies to the north of the ore cut in the vicinity by diamond drill holes.

"However, even in the absence of definite knowledge of the relationship of the various ore exposures, the general appearance is very promising for a large tonnage and justifies the present plans for a campaign of more rapid development work.

Metallurgical Testing Work

"From the time of taking the first options, this work has proceeded continuously at the Bunker Hill & Sullivan metallurgical plants, Kellogg, Idaho, on surface samples and on the diamond drill cores, as fast as they were secured, and it is now being energetically pushed on a carload of ore sent to Kellogg from the main crosscut. The laboratory and other testing work done on this ore at Kellogg will be followed up by larger scale work in a pilot mill to be erected on the ground, plans for this mill now being well under way."

CONROYAL TO SINK WINZE TO 1,300 FT.

Will Test Out at Depth Strong Vein Opened Up on 550-ft. Level

Conroyal Mines, operating in Lebel Tp., Kirkland Lake, will sink a winze from the 550-ft. level to below 1000-ft. probably to 1300-ft. Sinking will be done on a strong vein which has been opened up on this level and which has shown good widths. Sinking the winze, instead of deepening the shaft will give the company a great deal of information quicker and much more cheaply than if the shaft was dropped down and long crosscuts run. Besides, sinking in ore will give details of the values in the vein all the way down. A progress report just sent shareholders, outlines work done to-date:

Results obtained by underground work on both the 300 and 550 foot levels have been most encouraging.

On 300 ft. level, east of main crosscut in a mineralized zone fifty feet wide, there has been opened a splendid looking vein from eight to ten feet wide, carrying a nice shoot of ore.

On 550 ft. level west of the main crosscut, we are drifting on a most promising vein, which in appearance is typical of veins carrying high grade ore found in producing mines of Kirkland Lake camp.

Visible gold was encountered in this vein 250 ft. east of section where such excellent values were obtained by diamond drill, in two holes at a depth of 35 and 200 feet respectively. It is significant that as drift on this vein continues west, to the zone 350 ft. immediately below the section diamond drilled, vein is steadily widening and gaining srength with every round. Discovery is unquestionably one of major importance.

On recommendation of Mine Manager Jardine, it is intended to carry development from the 550 ft. level to depth, by sinking a winze in the vein carrying visible gold, now being opened west of the main cross-cut.

After careful consideration and bearing in mind the phenomenally successful results attending deep level work at the producing mines in Kirkland Lake, we are undertaking to carry this development below the 1,00 0ft. level, possibly to 1,300 ft. By sinking on the vein, rather than deepening the main shaft, long crosscuts to the vein on each level will be entirely eliminated, thereby effecting a considerable saving both in time and money while information of vital importance will be available almost immediately.

Plant and equipment are in excellent condition and the work is progressing splendidly, with sufficient funds available to meet all requirements of the present program.

Corona to Test Area Near Big Diabase Dyke

Because of developments on McDougall, Ribago, important interests are seeking control of Corona Mines adjoining. Details have not been made public but negotiations are on. The company has completed plans for a more extensive development campaign. This is being undertaken mainly on account of the recent important developments on Amulet. The diabase dyke which runs through the Amulet property runs through Corona as well and it is in the vicinity of this dyke that Amulet are reported to be getting big values. The electrical survey on Corona showed indications in the southeastern part of the property and in view of results by Amulet, Corona management feels that they are justified in carrying out more extensive development operations.

The next few months activity on Corona should mean much to the future of the property.

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Dr. C. V. Corless, Managing Director of the Mond Nickel Company, Limited, and one of Canada's foremost mining authorities and geologists, said recently:

Civilization's rapidly growing need of minerals, as the discoveries of science accelerate its material progress; the steady depletion of the richer and more accessible mineral deposits in some countries; and the vast extent of our promising mineral-bearing territory — these conditions appear to me to constitute Canada's unparalleled present and future opportunity. Let those who despair of our economic future make a sincere effort to grasp the full significance of these conditions, which, if clearly understood by the majority of intelligent Canadians, may be made to place Canada in a new position in the world.

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H. O. Duggan, Financial Agent, Medicine Hat, Alberta.
W. H. Gray, Accountant, Medicine Hat, Alberta.
C. S. Pingle, M.L.A., Druggist, Medicine Hat, Alberta.
R. A. Reed, Drilling Superintendent, Medicine Hat, Alberta.

AUTHORIZED CAPITAL
300,000 Shares of no par value.

OFFICERS

President—C. E. Roth.
1st Vice President—W. D. Faurot.
2nd Vice President—Dr. F. W. Gershaw, M.P.
Secretary—H. O. Duggan.
Treasurer—W. H. Gray.

AUDITORS

V. Martyn Oliver & Company, Medicine Hat, Alberta.

One of the most attractive enterprises in Alberta to-day to which private capital can be applied is the location and development to production of a crude oil field. In the United States (as at May 1, 1927), total production exceeds two million five hundred thousand (2,500,000) barrels per day and consumption two million (2,000,000) barrels per day. In Canada there is not sufficient production in one year to supply the requirements of one week. Development in the mid continent field of the United States has opened oil fields right up to the Alberta boundary and in Alberta where development is in the initial stages crude oil is being discovered.

The objective of the Company is the development of a crude oil field in Alberta, comparable with some of the major fields of the United States. In endeavoring to achieve this the Company has secured leases in a most favorable and promising location, will conduct drilling operations in the most approved manner, thereby ensuring the shareholders full value in development work for the money employed and the financial returns to shareholders will be determined by the cost of the drilling programme and the quantity and quality of production found.

The President, C. E. Roth, and First Vice President, W. D. Faurot, are successful oil operators in the mid continent field of the United States of over twenty years' experience, during which period they have drilled over eight hundred wells. They have drilled two test wells in the Medicine Hat gas area from which valuable information regarding subsurface formations has been obtained. Messrs. Roth and Faurot expended approximately $190,000 of their own money in doing this work. They use modern equipment and employ efficient and experienced field superintendents and drilling crews, as testified in the following letter from the City of Medicine Hat:

"Office of the Mayor,

Mr. C. E. Roth, July 12th, 1927.
Independence, Kansas.

Dear Sir:—

This letter is addressed to you with the object of expressing our appreciation of the manner in which you have carried out your contract with the City of Medicine Hat for the drilling of a deep test well for the discovery of oil. The drilling outfit used was new and of the most up to date type and the work was carried on with celerity. The contract provided for drilling to a depth of 3,200 feet, but drilling was continued until a depth of 3,940 feet was reached, the whole operation being conducted in accordance with the best drilling practice. We regret that oil in commercial quantities was not found.

The abandonment of the well necessitated the isolation of each water strata below the Milk River gas sands, and the plugging of this well back to the producing gas sand was accomplished in a manner which left a first class well, finished in an approved manner, and entirely satisfactory to the City.

The accounts covering the cost of the well have been carefully inspected by the City and we appreciate your courtesy in keeping the record available to our auditors at all times.

Our association with your Superintendent has been pleasant and the personnel of your crew, the excellence of your equipment, and your ability to carry out your drilling contract merit a word of approbation from the City of Medicine Hat.

Yours truly,
(Signed) OLIVER BOYD, Deputy Mayor."

THE COMPANY'S PROPERTIES

The property of the Company consists of thirty-two hundred (3,200) acres of leases in Townships 7 and 8, Ranges 1, 2, 4 and 5, West of the 4th Meridian in the Cypress Hills Area in Southern Alberta, within the structures located by Dr. W. S. Dyer, Dominion Government Geologist, and defined in his report to the Department of Mines at Ottawa.

Of the area in which the present entire lease holdings of this Company are situated, Dr. Dyer in his report, which appears in The Dominion Government Geological Survey Summary Report, Part B, at page 24B, says in part:

"The Cypress Hills structures are much better defined than any other structure found to date in Alberta, with the exception, of course, of those of the foothills. They are commensurate in area and rate of dip with the Kevin-Sunburst dome of Northern Montana. They should prove to hold oil or gas provided the underground conditions are right. These include the presence of porous sands suitable for reservoirs and beds capable of generating petroleum. The Milk River sandstones which hold so much gas at Medicine Hat might quite possibly be oil-bearing in this more pronounced structure. Other favourable horizons would be sandstone beds in the Colorado, the Blairmore-Kootenay sands, the Jurassic (Ellis) sand or limestone, and the Palaeozoic (Madison) limestone, all of which can be reached at reasonable depths. Oil showings were met with in the Drazan well in the Many Island field, in the Blairmore-Kootenay and in the Jurassic. In the Roth well at Medicine Hat oil showings were found in the Ellis and at the top of the Palaeozoic, and several strong flows of water indicating porous horizons were struck in the Colorado, Blairmore-Kootenay, and Palaeozoic. These wells were both located on very much flatter structure."

These leases have been assigned to the Company in consideration for the allotment of one thousand (1,000) fully paid shares of the Company.

The Company also owns a standard cable tool drilling outfit capable of reaching the greatest depth in modern drilling practice. This outfit has been turned over to the Company at a valuation of Eighty thousand dollars ($80,000.00), which represents approximately the cost thereof and Sixteen thousand (16,000) fully paid shares of the Company have been allotted in payment therefor.

The Company is commencing at once a programme of drilling deep wells to test all these possible oil producing horizons. The location for the drilling of No. 1 well is L.D.S.9 Section 31—Township 7, R4, W4. Drilling will commence as quickly as the equipment can be brought to the site and assembled.

Of special importance to shareholders is the fact that the Company will, if necessary, receive sufficient financial support from Mr. Roth to ensure the drilling of at least two wells to a depth of over 4,000 feet (unless production is found at a lesser depth).

THE COMPANY'S PRESENT OFFERING

The Company is offering at this time for subscription 100,000 shares at $5.00 per share. The Directors believe the purchase of Eagle Butte Oil Company, Limited, shares affords an exceptional opportunity to become associated with an oil development of worth and merit.

The following information is given to meet the requirements of the Companies Act:

There are no founders' or management or deferred shares.

The By-laws provide that the qualification of a Director shall be the holding of one share.

The By-laws contain the following provisions:

"The remuneration of the Directors shall from time to time be determined by the Company in general meeting and such remuneration shall be in addition to the salary of any officer of the Company who is also a Director of the Company. The Directors may by resolution award special remuneration out of the funds of the Company to any Director undertaking any special work or mission on the Company's behalf other than the routine work required of a Director of the Company."

The names, descriptions and addresses of the Directors are set out above.

The minimum subscription on which the Directors may proceed to allotment is one share.

The Company has agreed to issue fully paid up shares for consideration other than cash as follows:

To C. E. Roth.—1,000 fully paid shares in consideration of the transfer to the Company of oil leases covering the following mentioned lands in the Province of Alberta:

N½ Sec. 31, Twp. 7, Range 4, West of 4th Meridian.
E½ Sec. 2, Twp. 8, Range 5, West of 4th Meridian.
S½ Sec. 27, Twp. 7, Range 5, West of 4th Meridian.
N½ Sec. 14, Twp. 7, Range 5, West of 4th Meridian.
N½ Sec. 20, Twp. 7, Range 4, West of 4th Meridian.
N½ Sec. 33, Twp. 7, Range 4, West of 4th Meridian.
S½ Sec. 14, Twp. 7, Range 4, West of 4th Meridian.
N½ Sec. 30, Twp. 7, Range 2, West of 4th Meridian.
N½ Sec. 11, Twp. 8, Range 2, West of 4th Meridian.
N½ Sec. 32, Twp. 7, Range 1, West of 4th Meridian.

as referred to in agreement dated the 28th day of July, 1927, and made between the said C. E. Roth and the Company.

To C. E. Roth.—16,000 fully paid shares in consideration of the transfer to the Company of standard cable tool drilling outfit and other equipment referred to in agreement dated the 28th day of July, 1927, and made between the said C. E. Roth and the Company.

The amount payable by the Company as consideration for the purchase price of the said oil leases is as above set out, which price has been fixed as the amount the vendor is willing to take, having regard to the fact that the value of the same can only be definitely ascertained by drilling operations and which, if successful, would enhance the price asked.

The said C. E. Roth is the vendor to the Company of the assets and for the consideration set forth in the agreements above mentioned.

No portion of the purchase price of the said assets above mentioned has been paid or is payable in cash or debentures and nothing is payable for good will.

Nothing has been paid as a commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures, but it is anticipated that a reasonable brokerage commission will be paid on the sale of these shares.

The preliminary expenses of the Company are estimated at $1,500.00 and are payable by the Company.

No payment has been made nor is it intended to make any payment to any promoter of the Company.

The following contracts have been entered into:

1. Agreement between C. E. Roth and the Company dated the 28th day of July, 1927, providing for the assignment to the Company of the oil leases above mentioned.
2. Agreement between the said C. E. Roth and the Company dated the 28th day of July, 927, providing for the transfer to the Company of the drilling outfit above mentioned.

Copies of the above contracts may be inspected at the Head Office of the Company, Medicine Hat, Alberta, at any reasonable time on any business day.

The name and address of the auditors of the Company are F. Martyn Oliver & Company, Medicine Hat, Alberta.

The following Directors are interested in the promotion of or in the property proposed to be acquired by the Company and the nature and extent of their interest is as follows:

The said C. E. Roth, one of the Directors, is interested as Vendor to the Company as above stated.

Application for shares may be made to Company's head office at Medicine Hat., Alta.